

PLEASE NOTE: In most BUT NOT ALL instances, the page and line numbering of bills on this web site correspond to the page and line numbering of the official printed version of the bills.

REFERENCE TITLE: **health and welfare; budget.**

State of Arizona
Senate
Forty-seventh Legislature
First Regular Session
2005

SB 1515

Introduced by
Senators Burns, Bee, Bennett, Blendu, Huppenthal: Jarrett, Martin,
Tibshraeny (with permission of committee on Rules)

AN ACT

AMENDING SECTIONS 11-292, 12-302, 23-722.01, 35-701 AND 36-550.06, ARIZONA REVISED STATUTES; REPEALING TITLE 36, CHAPTER 6, ARTICLE 12, ARIZONA REVISED STATUTES; AMENDING SECTION 36-2901.03, ARIZONA REVISED STATUTES; AMENDING TITLE 36, CHAPTER 29, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-2901.06; AMENDING SECTIONS 36-2903.04 AND 41-1291, ARIZONA REVISED STATUTES; AMENDING TITLE 41, CHAPTER 7, ARTICLE 12, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 41-1291.01 AND 41-1291.02; AMENDING SECTIONS 41-1954, 41-1961, 41-2031 AND 41-2032, ARIZONA REVISED STATUTES; AMENDING TITLE 41, CHAPTER 14, ARTICLE 6, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-2033; AMENDING SECTION 42-5252, 46-136 AND 46-207, ARIZONA REVISED STATUTES; AMENDING SECTION 46-217, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 1997, CHAPTER 300, SECTION 47; AMENDING SECTION 46-217, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2002, CHAPTER 331, SECTION 8; REPEALING TITLE 46, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES; REPEALING SECTION 46-252, ARIZONA REVISED STATUTES; AMENDING SECTIONS 46-295, 46-803 AND 46-805, ARIZONA REVISED STATUTES; RELATING TO HEALTH AND WELFARE BUDGET RECONCILIATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 11-292, Arizona Revised Statutes, is amended to read:

11-292. Medical care: definition

A. The board of supervisors, subject to the applicable provisions of title 42, chapter 17, articles 2 and 3, shall include in its annual budget an amount equal to fifty per cent of the amount budgeted by the county board of supervisors or the amount expended, whichever is less, for the hospitalization and medical care of the indigent sick pursuant to this article for fiscal year 1980-1981, except for Yuma and La Paz counties. The contribution amounts of those counties shall be equal to the amount Yuma county would have made pursuant to this subsection if a division had not occurred apportioned between the counties. The office of the auditor general shall determine the amount Yuma county would otherwise have included if a division had not occurred and shall then determine the contribution amounts of Yuma and La Paz counties based on the proportionate share of the estimated population in these counties as of July 1, 1982.

B. For fiscal year 1994-1995, and for each fiscal year thereafter, the state treasurer shall withhold an amount sufficient to meet the county portion of the nonfederal costs of providing long-term care system services, pursuant to title 36, chapter 29, article 2, excluding services to the developmentally disabled, from monies otherwise payable to the county under section 42-5029, subsection D, paragraph 2. This amount and the state portion of the nonfederal costs shall be specified in the annual appropriation for the maintenance and operation of the Arizona health care cost containment system. For fiscal years 1994-1995, 1995-1996 and 1996-1997, monies shall be withheld from each county based on the following percentages derived from a state auditor general's certified audit of fiscal year 1987-1988 county long-term care and home health care expenditures, except that amounts withheld shall be adjusted to reflect amounts paid by counties pursuant to section 36-2952:

1. Apache:	0.22%
2. Cochise:	2.49%
3. Coconino:	0.66%
4. Gila:	2.56%
5. Graham:	0.64%
6. Greenlee:	0.34%
7. La Paz:	0.34%
8. Maricopa:	56.55%
9. Mohave:	2.73%
10. Navajo:	0.91%
11. Pima:	20.55%
12. Pinal:	5.09%
13. Santa Cruz:	1.05%
14. Yavapai:	3.12%
15. Yuma:	2.75%

1 C. In each fiscal year, of the total amount that is specified in the
2 annual appropriation as the nonfederal portion of the cost of providing
3 long-term care services, excluding services to the developmentally disabled,
4 and that represents an increase from the amount that was specified in the
5 annual appropriation for the prior fiscal year, the state shall pay fifty per
6 cent of the increase. The remaining nonfederal portion of the costs shall be
7 apportioned among the counties according to the proportion that each county's
8 net nonfederal expenditures for long-term care services, excluding services
9 to the developmentally disabled, bears to the total nonfederal expenditure
10 for all counties two fiscal years earlier, with the following adjustments in
11 the following order:

12 1. If the resulting net county contribution when expressed as an
13 imputed property tax rate per one hundred dollars of net assessed value
14 exceeds ninety cents, the county's contribution shall be reduced so that the
15 imputed property tax rate equals ninety cents and the difference shall be
16 paid by the state.

17 2. Any county with a native American population that represents at
18 least twenty per cent of the county's total population according to the most
19 recent United States decennial census shall contribute an amount equal to the
20 prior fiscal year's contribution plus fifty per cent of the difference
21 between the prior year's contribution were it calculated using the percentage
22 in subsection B of this section and the current year's contribution as if its
23 share of the total nonfederal portion of the long-term care costs had been
24 calculated using the percentage prescribed in subsection B of this section
25 and the state shall pay any difference from the amount otherwise required by
26 this subsection.

27 3. If, after making the adjustments in this subsection, a county would
28 contribute more than if its contribution were calculated using the percentage
29 prescribed in subsection B of this section multiplied by the total nonfederal
30 costs of long-term care services, excluding services to the developmentally
31 disabled, the county's contribution shall be reduced to the sum of its prior
32 year's contribution plus fifty per cent of the difference between the prior
33 year's contribution were it calculated using the percentage in subsection B
34 of this section and the current year's contribution as if its share of the
35 total nonfederal portion of long-term care costs had been calculated using
36 the percentage prescribed in subsection B of this section and the state shall
37 pay any difference from the amount otherwise required by this subsection.

38 D. The director of the Arizona health care cost containment system
39 administration shall notify each county of the amount determined pursuant to
40 subsection A of this section to be included in its annual budget no later
41 than May 1 of each year.

42 E. If a county does not provide funding as specified in subsection A
43 of this section, the state treasurer shall subtract the amount owed to the
44 Arizona health care cost containment system fund by the county from any
45 payments required to be made by the state treasurer to that county pursuant
46 to section 42-5029, subsection D, paragraph 2, plus interest on that amount

1 pursuant to section 44-1201 retroactive to the first day the funding was due.
2 If the monies the state treasurer withholds are insufficient to meet that
3 county's funding requirement as specified in subsection A of this section,
4 the state treasurer shall withhold from any other monies payable to that
5 county from whatever state funding source is available an amount necessary to
6 fulfill that county's requirement. The state treasurer shall not withhold
7 distributions from the highway user revenue fund pursuant to title 28,
8 chapter 18, article 2.

9 F. Each month payment of an amount equal to one-twelfth of the total
10 amount determined pursuant to subsection A of this section shall be made to
11 the state treasurer. Beginning October 1, 1989, payment of this amount shall
12 be made to the state treasurer on or before the fifth day of each month.
13 Upon request from the director of the Arizona health care cost containment
14 system administration, the state treasurer shall require that up to three
15 months' payments be made in advance, if necessary.

16 G. The state treasurer shall deposit the amounts paid pursuant to
17 subsection F of this section and amounts withheld pursuant to subsection E of
18 this section in the Arizona health care cost containment system fund
19 established pursuant to section 36-2913.

20 H. If payments made pursuant to subsection F of this section exceed
21 the amount required to meet the costs incurred by the Arizona health care
22 cost containment system for the hospitalization and medical care of a person
23 who is defined as an eligible person pursuant to section 36-2901, paragraph
24 6, subdivision (a), the director of the Arizona health care cost containment
25 system administration may instruct the state treasurer either to reduce
26 remaining payments to be paid pursuant to this section by a specified amount
27 or to provide to the counties specified amounts from the Arizona health care
28 cost containment system fund.

29 I. The amount of the county contribution to the Arizona health care
30 cost containment system fund established in section 36-2913 shall not exceed
31 thirty-three per cent of the amount that the system administration expended
32 in the county for fiscal year 1983-1984. For the purposes of this
33 subsection, system administration expenditures in a county for fiscal year
34 1983-1984 are the total capitation and fee for service amounts paid by the
35 system administration to providers in a county before February 1, 1986 for
36 services rendered during fiscal year 1983-1984 to persons eligible for the
37 system.

38 J. The state treasurer shall deposit amounts withheld pursuant to
39 subsection E of this section in the Arizona health care cost containment
40 system fund established by section 36-2913.

41 K. The state treasurer shall deposit the monies withheld from the
42 counties and contributed by the state pursuant to subsection B of this
43 section in the long-term care system fund established by section 36-2913, in
44 twelve equal monthly installments. The monthly installments shall be
45 deposited in the fund by the state treasurer by the fourth working day of
46 each month.

1 L. By July 1 or within sixty days after enactment of the annual
 2 appropriation for the maintenance and operation of the Arizona health care
 3 cost containment system, whichever is later, and after consulting with the
 4 joint legislative budget committee and the governor's office of strategic
 5 planning and budgeting, the state treasurer shall notify each county of the
 6 amount to be withheld pursuant to subsection B of this section.

7 M. If the monies deposited in the long-term care system fund pursuant
 8 to subsection K of this section are insufficient to meet the funding
 9 requirement as specified in the annual appropriation for the maintenance and
 10 operation of the Arizona health care cost containment system pursuant to
 11 subsection B of this section, the state treasurer shall withhold from any
 12 other monies payable to that county from any available state funding source,
 13 other than the highway user revenue fund, the amount required to fulfill
 14 fifty per cent of the funding requirement and shall deposit the monies in the
 15 long-term care system fund. The state shall pay the remaining fifty per cent
 16 of the funding requirement.

17 N. If any monies in the funds for the purpose of title 36, chapter 29,
 18 article 2 remain unexpended at the end of the fiscal year, the director of
 19 the Arizona health care cost containment system administration shall specify
 20 to the state treasurer the amount to be withdrawn from the long-term care
 21 system fund. Of the amount specified, the state treasurer shall distribute
 22 fifty per cent to the counties pursuant to subsection B or C of this section.
 23 The remaining fifty per cent shall be distributed to the state.

24 O. The board of supervisors of a county that is a program contractor
 25 pursuant to section 36-2940 shall include in its annual budget, subject to
 26 title 42, chapter 17, articles 2 and 3, monies received from the Arizona
 27 health care cost containment system fund and long-term care system fund for
 28 the purposes of title 36, chapter 29, article 2.

29 P. Notwithstanding any law to the contrary, beginning in fiscal year
 30 ~~2002-2003~~ 2005-2006 and in each fiscal year thereafter, the state treasurer
 31 shall withhold a total of ~~five million~~ TWO MILLION THREE HUNDRED NINETY-FIVE
 32 THOUSAND FOUR HUNDRED dollars for the county contribution for the
 33 administrative costs of implementing sections 36-2901.01 and 36-2901.04
 34 beginning with the second monthly distribution of transaction privilege tax
 35 revenues otherwise distributable after subtracting any amounts withheld for
 36 the county long-term care contribution. Beginning in fiscal year ~~2002-2003~~
 37 2006-2007, the state treasurer shall adjust the amount withheld according to
 38 the annual changes in the GDP price deflator and as calculated by the joint
 39 legislative budget committee staff. Beginning in fiscal year ~~2003-2004~~
 40 2006-2007, the joint legislative budget committee shall calculate an
 41 additional adjustment of the allocation required by this subsection based on
 42 changes in the population as reported by the department of economic security.
 43 For the purposes of this subsection "GDP price deflator" has the same meaning
 44 prescribed in section 41-563. Each county's annual contribution is as
 45 follows:

- 46 1. Apache, ~~1.342~~ 3.296 per cent.

- 1 2. Cochise, ~~2.503~~ 6.148 per cent.
- 2 3. Coconino, ~~2.469~~ 6.065 per cent.
- 3 4. Gila, ~~1.014~~ 2.491 per cent.
- 4 5. Graham, ~~0.721~~ 1.7110 per cent.
- 5 6. Greenlee, ~~0.185~~ 0.455 per cent.
- 6 7. La Paz, ~~0.384~~ 0.9430 per cent.
- 7 ~~8. Maricopa, 59.289 per cent.~~
- 8 ~~9.~~ 8. Mohave, ~~2.882~~ 7.079 per cent.
- 9 ~~10.~~ 9. Navajo, ~~1.889~~ 4.640 per cent.
- 10 ~~11.~~ 10. Pima, ~~17.167~~ 42.168 per cent.
- 11 ~~12.~~ 11. Pinal, ~~3.359~~ 8.251 per cent.
- 12 ~~13.~~ 12. Santa Cruz, ~~0.794~~ 1.950 per cent.
- 13 ~~14.~~ 13. Yavapai, ~~3.173~~ 7.794 per cent.
- 14 ~~15.~~ 14. Yuma, ~~2.829~~ 6.949 per cent.

15 Q. The state treasurer shall deposit the amounts paid pursuant to
16 subsection P of this section in the budget neutrality compliance fund
17 established by section 36-2928.

18 R. For the purposes of this section, "net assessed value" includes the
19 values used to determine voluntary contributions collected pursuant to title
20 9, chapter 4, article 3 and title 48, chapter 1, article 8.

21 Sec. 2. Section 12-302, Arizona Revised Statutes, is amended to read:

22 12-302. Extension of time for payment of fees and costs; relief
23 from default for nonpayment; deferral or waiver of
24 court fees and costs; definitions

25 A. The court or any judge may for good cause shown extend the time for
26 paying any court fees and costs required by law or may relieve against a
27 default caused by nonpayment of a fee within the time provided by law, but no
28 fees paid shall be refunded.

29 B. The supreme court shall adopt forms and procedures for deferral or
30 waiver of court fees and costs.

31 C. Except as provided in subsection E of this section, the court shall
32 grant an application for deferral of court fees and costs if the applicant
33 establishes by affidavit, including supporting documentation, that the
34 applicant either:

35 1. Is receiving benefits pursuant to one or ~~more~~ BOTH of the following
36 programs:

37 (a) The temporary assistance for needy families program established by
38 section 403 of title 4 of the social security act as it exists after August
39 21, 1996.

40 (b) The food stamp program (7 United States Code sections 2011 through
41 2029).

42 ~~(c) The general assistance program pursuant to title 46, chapter 2,~~
43 ~~article 2.~~

44 2. Is receiving benefits pursuant to the supplemental security income
45 program (42 United States Code sections 1381 through 1385).

1 3. Has an income that is insufficient or barely sufficient to meet the
2 daily essentials of life and that includes no allotment that could be
3 budgeted for the fees and costs that are required to gain access to the
4 court. In considering insufficient income pursuant to this paragraph, the
5 court may consider the following as evidence of insufficient income:

6 (a) The applicant has a gross income that as computed on a monthly
7 basis is one hundred fifty per cent or less of the current poverty level
8 established by the United States department of health and human services.
9 Gross monthly income includes the applicant's share of community property
10 income.

11 (b) The applicant's income is considered to be sufficient, but the
12 applicant provides proof of extraordinary expenses, including medical
13 expenses, costs of care for elderly or disabled family members or other
14 expenses that are deemed extraordinary, that reduce the applicant's gross
15 monthly income to at or below one hundred fifty per cent of the current
16 poverty level established by the United States department of health and human
17 services.

18 D. Upon proof that the applicant is permanently unable to pay fees or
19 costs, the court shall waive them. For THE purposes of this subsection,
20 "permanently unable to pay" means the applicant's income and liquid assets
21 are insufficient or barely sufficient to meet the daily essentials of life
22 and the income and liquid assets are unlikely to change in the foreseeable
23 future.

24 E. Except in cases of dissolution of marriage, legal separation,
25 annulment or establishment, enforcement or modification of child support, and
26 notwithstanding subsection A of this section or chapter 9, article 4 of this
27 title, if the applicant is an inmate who is confined to a correctional
28 facility operated by the state department of corrections and who initiates a
29 civil action or proceeding, the inmate is responsible for the full payment of
30 actual court fees and costs. On filing the civil action or proceeding, the
31 clerk of the court shall assess and, when monies exist, collect as a partial
32 payment of any court fees and costs required by law a first time payment of
33 twenty per cent. Thereafter the state department of corrections shall
34 withhold twenty per cent of all deposits into the prisoner's spendable
35 account administered by the department until the actual court fees and costs
36 are collected in full. The state department of corrections shall annually
37 forward any monies withheld to the clerk of the court of each court of
38 jurisdiction before January 31. If a prisoner is released before the full
39 fees and costs are collected, the state department of corrections shall
40 forward the amount of fees and costs collected through the date of the
41 prisoner's release. The clerk of the court of each court of jurisdiction is
42 responsible for sending the state department of corrections a copy of the
43 order mandating the amount of fees and costs to be paid. This subsection
44 does not prohibit an applicant from filing a civil action or proceeding if
45 the applicant is unable to pay the filing fees.

F. At the time an applicant signs and submits the application for deferral to the court, the applicant shall acknowledge under oath and sign a consent to judgment. By signing the consent to judgment, the applicant consents to judgment being entered against the applicant for all fees and costs that are deferred but that remain unpaid after thirty calendar days following the entry of final judgment or order. A consent judgment may be entered against the applicant unless one of the following applies:

1. The applicant has an established schedule of payment in effect and is current with payments.

2. A supplemental application for further deferral or waiver has been filed and is pending.

3. In response to a supplemental application, the court orders that the fees and costs be further deferred or waived.

4. Within twenty days of the date the court denies the supplemental application, the applicant either pays the fees or requests a hearing on the court's final order denying further deferral or waiver. If the applicant requests a hearing, the court shall not enter a consent judgment unless a hearing is held, further deferral or waiver is denied and payment has not been made within the time prescribed by the court.

G. An applicant who is granted a deferral or waiver or a party to the action who knows of any change in the financial circumstances of the applicant shall promptly notify the court of the change in the applicant's financial circumstances during the pendency of the action that affects the applicant's ability to pay court fees and costs. If within ten days after notice and a hearing the court determines that the applicant's financial circumstances have changed and that the applicant no longer meets the eligibility requirements of this section, the court shall order the applicant to pay the deferred or waived fees and costs.

H. The following court fees and costs may be deferred or waived, except that the county shall pay the fees and costs in paragraphs 6 and 7 of this subsection on the granting of an application for deferral or waiver and an applicant who has been granted a deferral shall reimburse the county for the fees and costs in paragraphs 6 and 7 of this subsection:

1. Filing fees.

2. Fees for issuance of either a summons or subpoena.

3. Fees for obtaining one certified copy of a temporary order in a domestic relations case.

4. Fees for obtaining one certified copy of a final order, judgment or decree in all civil proceedings.

5. Sheriff, marshal, constable and law enforcement fees for service of process if any of the following applies:

(a) The applicant established by affidavit that the applicant has attempted without success to obtain voluntary acceptance of service of process.

(b) The applicant's attempt to obtain voluntary acceptance of service of process would be futile or dangerous.

(c) An order of protection or an injunction against harassment in favor of the applicant and against the party sought to be served exists and is enforceable.

6. The fee for service by publication if service is required by law and if the applicant establishes by affidavit specific facts to show that the applicant has exercised due diligence in attempting to locate the person to be served and has been unable to do so.

7. Court reporter's fees for the preparation of court transcripts if the court reporter is employed by the court.

8. Appeal preparation and filing fees at all levels of appeal and photocopy fees for the preparation of the record on appeal pursuant to sections 12-119.01, 12-120.31 and 12-2107 and section 12-284, subsection A.

I. If the case is appealed, the initial deferral or waiver remains in effect unless there is a change in the applicant's financial circumstances. If a case is appealed an applicant may be required to submit to the appellate court a new application for a deferral or waiver of the court fees and costs.

J. If a judgment is rendered for court fees and costs, the court fees and costs deferred but unpaid and the expenses paid by the county under this section shall be included in the judgment and shall be paid directly to the clerk of the court by the party against whom the court fees and costs were assessed.

K. A waiver of court fees or costs shall not be granted for:

1. Matters that are filed as class actions pursuant to rule 23 of the Arizona rules of civil procedure.

2. Civil actions other than cases of dissolution of marriage, legal separation, annulment or establishment, enforcement or modification of child support that are filed by persons who at the time of filing the application are incarcerated as a result of a felony conviction in an out-of-state correctional facility or in a jail waiting to be transported to a state department of corrections facility.

L. This section does not limit the court's discretion in deferring, waiving or ordering the county to pay any fees and costs as may be necessary and appropriate.

M. For the purposes of this section:

1. "Deferral" means either postponement of an obligation to pay fees or establishment of a schedule for payment of fees.

2. "Further deferral" means the establishment of a schedule for payment of fees.

Sec. 3. Section 23-722.01, Arizona Revised Statutes, is amended to read:

23-722.01. Employer reporting; exceptions; retention of records; unauthorized disclosure; new hire directory; definitions

A. Subject to the requirements of subsection E, the department of economic security shall implement a program to require all employers doing

1 business in this state to report the following to the department of economic
2 security:

3 1. The hiring of any employee who resides or works in this state.

4 2. The rehiring or returning to work of any employee who was laid off,
5 furloughed, separated, granted a leave without pay or terminated from
6 employment.

7 B. The department of economic security shall eliminate all unnecessary
8 reporting in the information requested to reduce the burden of employers.

9 C. Employers shall report by submitting a W-4 form or an equivalent
10 form at the option of the employer. The information may be submitted
11 magnetically, electronically or by first class mail, telefacsimile or any
12 other means that are authorized by the department of economic security.

13 D. Employers shall submit the reports within twenty days after the
14 employee is hired or rehired or returns to work. Employers who submit
15 reports magnetically or electronically shall submit the reports in two
16 monthly transmissions not more than sixteen days apart. The report shall
17 contain all of the following:

18 1. The employee's name, address and social security number.

19 2. The employer's name, address and federal tax identification number.

20 E. An employer who has employees who are employed in two or more
21 states and who transmits new hire reports magnetically or electronically may
22 comply with the new hire reporting requirements by designating one state in
23 which the employer has employees to transmit the report. An employer who has
24 employees in two or more states shall notify the United States secretary of
25 health and human services of the state to which the employer shall send
26 reports.

27 F. The department of economic security or its agent may use the
28 information collected pursuant to this section only for the following
29 purposes:

30 1. The administration and enforcement of child support pursuant to
31 title IV-D of the social security act. Except as provided by federal law,
32 the information collected shall only be used to locate a person to establish
33 paternity and to establish, modify and enforce support obligations. The
34 information may be disclosed to an agent under contract with the department
35 of economic security to carry out this purpose. The information may also be
36 disclosed to agencies of this state, political subdivisions of this state,
37 federal agencies involved with support and other states and their political
38 subdivisions seeking to locate persons to enforce support pursuant to title
39 IV-D of the social security act.

40 2. The identification and prevention of benefit fraud in assistance
41 programs under title 46, chapter 2, ~~articles 2 and~~ ARTICLE 5.

42 3. The administration of employment security services pursuant to this
43 chapter and workers' compensation programs pursuant to chapter 6 of this
44 title.

45 G. The information collected pursuant to this section shall not be
46 disclosed pursuant to title 39, chapter 1. An employee or agent of this

1 state who discloses any information collected pursuant to this section
2 without authorization is subject to a civil penalty of one thousand dollars
3 for each offense. The department of economic security may impose and collect
4 the penalty and shall deposit any collections in the state general fund. Any
5 unauthorized release of information is cause for the administrative
6 discipline of the employee or agent.

7 H. The department shall operate a state directory of new hires
8 comprised of information received from employers. The department shall enter
9 information received from employers into the state directory of new hires
10 within five business days after receipt. The information shall be forwarded
11 to the national directory of new hires within three business days after entry
12 into the state directory of new hires. For purposes of this section, a
13 business day is a day when ~~the state is~~ OFFICES ARE open for regular
14 business.

15 I. The department of economic security shall conduct, directly or by
16 contract, an automated comparison of social security numbers reported by
17 employers pursuant to this section and the social security numbers on record
18 in the state case registry of child support orders.

19 J. If a comparison conducted pursuant to subsection I reveals a match
20 of the social security number of an obligor required to pay support in a
21 title IV-D case, the department, within two business days, shall issue an
22 income withholding order to the employer of the person obligated to pay
23 support directing the employer to withhold the ordered amount from the income
24 of the employee.

25 K. This section does not allow the department to impose penalties on
26 employers for failing to comply with this section's reporting requirements.

27 L. For purposes of this section:

28 1. "Employee" means a person who is employed within the meaning of
29 chapter 24 of the internal revenue code of 1986. Employee does not include
30 an employee of a federal or state agency performing intelligence or
31 counterintelligence functions if the head of the agency has determined that
32 reporting with respect to the employee could endanger the safety of the
33 employee or compromise an ongoing investigation or intelligence mission.

34 2. "Employer" has the same meaning prescribed in section 3401(d) of
35 the internal revenue code of 1986 and includes any governmental entity and
36 any labor organization.

37 Sec. 4. Section 35-701, Arizona Revised Statutes, is amended to read:
38 35-701. Definitions

39 In this chapter, unless the context otherwise requires:

40 1. "Corporation" means any corporation organized as an authority as
41 provided in this chapter.

42 2. "Designated area" means any area of this state which is either
43 designated pursuant to section 36-1479 as a slum or blighted area as defined
44 in section 36-1471, designated by regulation as a pocket of poverty or a
45 neighborhood strategy area by the United States department of housing and
46 urban development pursuant to title I of the housing and community

development act of 1977 (P.L. 108-6; 42 United States Code sections 5301 through 5320), as amended, and the department of housing and urban development act (P.L. 108-6; 42 United States Code section 3535(d)), ~~OR~~ designated by the United States department of housing and urban development as an empowerment or enterprise zone pursuant to the federal omnibus budget and reconciliation act of 1993 (P.L. 108-6; 26 United States Code section 1391(g)), ~~or~~ or an area certified as an enterprise zone pursuant to section 41-1524, subsection B.

3. "Governing body" means:

(a) The board or body in which the general legislative powers of the municipality or the county are vested.

(b) The Arizona board of regents with respect to a corporation formed with the permission of the Arizona board of regents.

4. "Income" means gross earnings from wages, salary, commissions, bonuses or tips from all jobs, net earnings from such person's or family's own nonfarm business, professional practice or partnership, and net earnings from such person's or family's own farm. Income includes income, other than earnings, that consists of amounts received from social security or railroad retirement, interest, dividends, veterans payments, pensions and other regular payments, public assistance or welfare payments, including aid for dependent children, old age assistance, ~~general assistance~~ and aid to the blind or totally disabled, but excluding separate payments for hospital or other medical care.

5. "Manufactured house" means a structure that is manufactured in a factory after June 15, 1976, that is delivered to a homesite in more than one section and that is placed on a permanent foundation. The dimensions of the completed house shall not be less than twenty feet by forty feet, the roof must be sloping, the siding and roofing must be the same as those found in site-built houses and the house must be eligible for thirty year real estate mortgage financing.

6. "Municipality" or "county" means the Arizona board of regents or any incorporated city or town, including charter cities, or any county in this state in which a corporation may be organized and in which it is contemplated the corporation will function.

7. "Persons of low and moderate income" means, for the purposes of financing owner-occupied single family dwelling units in areas which the municipality has found, pursuant to section 36-1479, to be slum or blighted areas, as defined in section 36-1471, persons and families whose income does not exceed two and one-half times the median family income of this state. In all other areas it means persons and families whose income does not exceed one and one-half times the median family income of this state.

8. "Project" means any land, any building or any other improvement and all real and personal properties, including machinery and equipment whether or not now in existence or under construction and whether located within or without the municipality or county approving the formation of the corporation, that are suitable for any of the following:

1 (a) With respect to a corporation formed with the permission of a
2 municipality or county other than the Arizona board of regents:

3 (i) Any enterprise for the manufacturing, processing or assembling of
4 any agricultural or manufactured products.

5 (ii) Any commercial enterprise for the storing, warehousing,
6 distributing or selling of products of agriculture, mining or industry, or of
7 processes related thereto, including research and development.

8 (iii) Any office building or buildings for use as corporate or company
9 headquarters or regional offices or the adaptive use for offices of any
10 building within this state that is on the national register of historic
11 places or rehabilitation of residential buildings located in registered
12 historic neighborhoods.

13 (iv) A health care institution as defined in section 36-401.

14 (v) Residential real property for dwelling units located within the
15 municipality or county approving the formation of the corporation and, in the
16 case of a county, whether or not also within a municipality that is within
17 the county.

18 (vi) Repairing or rehabilitating single family dwelling units or
19 constructing or repairing residential fences and walls.

20 (vii) Convention or trade show facilities.

21 (viii) Airports, docks, wharves, mass commuting facilities, parking
22 facilities or storage or training facilities directly related to any of the
23 facilities as provided in this item.

24 (ix) Sewage or solid waste disposal facilities or facilities for the
25 furnishing of electric energy, gas or water.

26 (x) Industrial park facilities.

27 (xi) Air or water pollution control facilities.

28 (xii) Any educational institution that is operated by a nonprofit
29 educational organization that is exempt from taxation under section 501(c)(3)
30 of the United States internal revenue code and that is not otherwise funded
31 by state monies, any educational institution or organization that is
32 established under title 15, chapter 1, article 8 and that is owned by a
33 nonprofit organization, any private nonsectarian school or any private
34 nonsectarian organization established for the purpose of funding a joint
35 technological education school district.

36 (xiii) Research and development facilities.

37 (xiv) Commercial enterprises, including facilities for office,
38 recreational, hotel, motel and service uses if the facilities authorized by
39 this item are to be located in a designated area.

40 (xv) A child welfare agency, as defined in section 8-501, owned and
41 operated by a nonprofit organization.

42 (xvi) A transportation facility constructed or operated pursuant to
43 title 28, chapter 22, article 1 or 2.

44 (xvii) A museum operated by a nonprofit organization.

45 (xviii) Facilities owned or operated by a nonprofit organization
46 described in section 501(c) of the United States internal revenue code of

1 1986 that is primarily engaged in delivering community services on that
 2 property consisting of fitness programs, camping programs, health and
 3 recreation services, youth programs, child care, senior citizen programs,
 4 individual and family counseling, employment and training programs, services
 5 for individuals with disabilities, meals, feeding programs or disaster
 6 relief.

7 (xix) New or existing correctional facilities that contract
 8 exclusively with the state department of corrections or the department of
 9 juvenile corrections for the housing of inmates or committed youths.

10 (b) With respect to a corporation formed with the permission of the
 11 Arizona board of regents, any facility consisting of classrooms, lecture
 12 halls or conference centers or any facility for research and development or
 13 for manufacturing, processing, assembling, marketing, storing and
 14 transferring items developed through or connected with research and
 15 development or in which the results of such research and development are
 16 utilized, but only if the facility is located in an area designated as a
 17 research park by the Arizona board of regents.

18 9. "Property" means any land, improvements thereon, buildings and any
 19 improvements thereto, machinery and equipment of any and all kinds necessary
 20 to a project and any other personal properties deemed necessary in connection
 21 with a project.

22 10. "Research park" means an area of land that has been designated by
 23 the Arizona board of regents as a research park for a university and that, at
 24 the date of designation, is owned by this state or by the Arizona board of
 25 regents.

26 11. "Single family dwelling unit" includes any new, used or
 27 manufactured house that meets the insuring requirements of the federal
 28 housing administration, the veterans administration or any other insuring
 29 entity of the United States government or any private mortgage insurance or
 30 surety company that is approved by the federal home loan mortgage corporation
 31 or the federal national mortgage association.

32 Sec. 5. Section 36-550.06, Arizona Revised Statutes, is amended to
 33 read:

34 36-550.06. Client eligibility

35 A. The seriously mentally ill are eligible for services under this
 36 article if they comply with the eligibility screening and application process
 37 prescribed in section 36-3408, and:

- 38 1. They voluntarily seek the services; or
- 39 2. A court appointed guardian requests, in accordance with section
 40 36-547.04, subsection B, that they receive the services; or
- 41 3. A court orders that they receive the services; or
- 42 4. The chief medical officer of the Arizona state hospital recommends
 43 they receive such services.

44 B. Programs and services identified in section 36-550.05 may include
 45 purchase of care support payments to persons to supplement social security,

supplemental security income, ~~general assistance~~ or veterans administration disability payments, and client fees when available.

Sec. 6. Repeal

Title 36, chapter 6, article 12, Arizona Revised Statutes, is repealed.

Sec. 7. Section 36-2901.03, Arizona Revised Statutes, is amended to read:

36-2901.03. Federal poverty program; eligibility

A. The administration shall adopt rules for a streamlined eligibility determination process for any person who applies to be an eligible person as defined in section 36-2901, paragraph 6, subdivision (a), item (iv). The administration shall adopt these rules in accordance with state and federal requirements and the section 1115 waiver.

B. The administration must base eligibility on an adjusted gross income that does not exceed one hundred per cent of the federal poverty guidelines.

C. For persons who the administration determines are eligible pursuant to this section, the date of eligibility is the first day of the month of application.

D. The administration shall determine an eligible person's continued eligibility ~~on an annual basis~~ EVERY SIX MONTHS.

Sec. 8. Title 36, chapter 29, article 1, Arizona Revised Statutes, is amended by adding section 36-2901.06, to read:

36-2901.06. Continued eligibility determination

NOTWITHSTANDING ANY OTHER LAW, THE ADMINISTRATION SHALL DETERMINE CONTINUED ELIGIBILITY FOR ELIGIBLE PERSONS AS DEFINED IN SECTION 36-2901, PARAGRAPH 6, SUBDIVISION (a), ITEMS (i), (ii), (iii) AND (iv) EVERY SIX MONTHS.

Sec. 9. Section 36-2903.04, Arizona Revised Statutes, is amended to read:

36-2903.04. Prior wards of the state; eligibility determination

The administration shall determine the eligibility of any eligible person as defined in section 36-2901, paragraph 6, subdivision (a), item (iii) and shall redetermine eligibility ~~on an annual basis~~ EVERY SIX MONTHS.

Sec. 10. Section 41-1291, Arizona Revised Statutes, is amended to read:

41-1291. Joint legislative committee on children and family services

A. The joint legislative committee on children and family services is established consisting of the following members who have an interest in and familiarity with issues and programs concerning children and family services:

1. Five members of the senate WHO ARE appointed by the president of the senate, not more than three of whom shall be members of the same political party. The president shall designate one member as cochairperson.

2. Five members of the house of representatives WHO ARE appointed by the speaker of the house of representatives, not more than three of whom shall be members of the same political party. The speaker shall designate one member as cochairperson.

B. The committee shall meet within thirty days of the presentation by a member of the legislature of a written constituent complaint and a written request to review. The committee shall also meet whenever committee members consider it necessary except that the committee shall not meet more than ten times each year unless the president of the senate and the speaker of the house of representatives agree to additional meetings. The committee shall meet at least annually to review child fatalities related to abuse or neglect. If the committee meets pursuant to a legislator's request to review, the legislator who made the request may be present when the committee reviews the case and may receive and review all information presented pertaining to the matter requested to be reviewed. On request of the person who is the subject of an investigation under review, the committee may meet with that person in executive session pursuant to section 38-431.03 and without the presence of any representative of the department of economic security.

C. Six members OF THE COMMITTEE constitute a quorum.

D. The committee shall:

1. Review reports of child abuse, neglect and dependency and actions taken by the department to protect children.

2. Have access to all child protective services records of the department on request of a chairperson of the committee or a majority vote of the committee.

3. CONSULT AT LEAST ANNUALLY WITH THE JOINT COMMITTEE OF PROFESSIONAL REVIEW FOR CHILD PROTECTIVE SERVICES ESTABLISHED BY SECTION 41-1291.01.

~~3-~~ 4. Monitor children and family services and legislative recommendations concerning children and family services.

~~4-~~ 5. Provide a forum for persons to express their concerns about state programs that relate to children and family services.

~~5-~~ 6. Make administrative and legislative recommendations concerning children and family services.

~~6-~~ 7. Work with the ombudsman-citizens aide office to make systemic recommendations to improve the system that delivers services to children and families.

8. ANNUALLY REPORT RECOMMENDATIONS TO THE JOINT LEGISLATIVE BUDGET COMMITTEE.

E. The committee has the authority conferred by law on legislative committees.

F. The committee may use the services of legislative staff.

Sec. 11. Title 41, chapter 7, article 12, Arizona Revised Statutes, is amended by adding sections 41-1291.01 and 41-1291.02, to read:

41-1291.01. Joint committee of professional review for child protective services

1 A. THE JOINT COMMITTEE OF PROFESSIONAL REVIEW FOR CHILD PROTECTIVE
2 SERVICES IS ESTABLISHED CONSISTING OF:

3 1. A LICENSED CLINICAL SOCIAL WORKER WHO HAS EXPERIENCE IN CHILD
4 SEXUAL AND PHYSICAL ABUSE CASES AND WHO IS APPOINTED BY THE SPEAKER OF THE
5 HOUSE OF REPRESENTATIVES.

6 2. A PEDIATRIC NEUROPSYCHOLOGIST WHO HAS EXPERIENCE IN CHILD SEXUAL
7 AND PHYSICAL ABUSE CASES AND WHO IS APPOINTED BY THE PRESIDENT OF THE SENATE.

8 3. A FORENSIC PEDIATRICIAN WHO HAS EXPERIENCE IN CHILD SEXUAL AND
9 PHYSICAL ABUSE CASES AND WHO IS APPOINTED BY THE SPEAKER OF THE HOUSE OF
10 REPRESENTATIVES.

11 4. TWO LAW ENFORCEMENT OFFICERS WHO HAVE EXPERIENCE IN CHILD SEXUAL
12 AND PHYSICAL ABUSE CASES, ONE OF WHOM IS APPOINTED BY THE SPEAKER OF THE
13 HOUSE OF REPRESENTATIVES AND ONE OF WHOM IS APPOINTED BY THE PRESIDENT OF THE
14 SENATE.

15 5. TWO JUDGES OF THE SUPERIOR COURT WHO HAVE EXPERIENCE IN DEPENDENCY
16 CASES. ONE JUDGE SHALL BE FROM A COUNTY WITH A POPULATION OF LESS THAN ONE
17 HUNDRED THOUSAND PERSONS AND IS APPOINTED BY THE PRESIDENT OF THE SENATE.
18 THE OTHER JUDGE SHALL BE FROM A COUNTY WITH A POPULATION OF AT LEAST FIVE
19 HUNDRED THOUSAND PERSONS AND IS APPOINTED BY THE SPEAKER OF THE HOUSE OF
20 REPRESENTATIVES.

21 6. A PROSECUTOR WHO HAS EXPERIENCE IN CHILD SEXUAL AND PHYSICAL ABUSE
22 CASES AND WHO IS APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

23 7. TWO VICTIMS' RIGHTS ADVOCATES WHO HAVE EXPERIENCE IN CHILD SEXUAL
24 AND PHYSICAL ABUSE CASES, ONE OF WHOM IS APPOINTED BY THE SPEAKER OF THE
25 HOUSE OF REPRESENTATIVES AND ONE OF WHOM IS APPOINTED BY THE PRESIDENT OF THE
26 SENATE.

27 8. TWO FOSTER PARENTS WHO ARE LICENSED PURSUANT TO SECTION 8-509 AND
28 WHO ARE APPOINTED BY THE PRESIDENT OF THE SENATE.

29 9. ONE ADOPTION ATTORNEY WHO IS APPOINTED BY THE SPEAKER OF THE HOUSE
30 OF REPRESENTATIVES.

31 10. ONE MEMBER OF THE CHILD FATALITY REVIEW TEAM WHO IS APPOINTED BY
32 THE PRESIDENT OF THE SENATE.

33 11. TWO REPRESENTATIVES FROM DIFFERENT SERVICE PROVIDERS THAT CONTRACT
34 WITH THE DIVISION OF CHILDREN, YOUTH AND FAMILY SERVICES IN THE DEPARTMENT OF
35 ECONOMIC SECURITY, ONE OF WHOM IS APPOINTED BY THE SPEAKER OF THE HOUSE OF
36 REPRESENTATIVES AND ONE OF WHOM IS APPOINTED BY THE PRESIDENT OF THE SENATE.

37 12. THE DIRECTOR OF THE DEPARTMENT OF ECONOMIC SECURITY, OR THE
38 DIRECTOR'S DESIGNEE, AS A NONVOTING ADVISORY MEMBER.

39 13. ONE MEMBER OF THE HOUSE OF REPRESENTATIVES WHO SERVES ON THE JOINT
40 LEGISLATIVE COMMITTEE ON CHILDREN AND FAMILY SERVICES AND WHO IS APPOINTED BY
41 THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

42 14. ONE MEMBER OF THE SENATE WHO SERVES ON THE JOINT LEGISLATIVE
43 COMMITTEE ON CHILDREN AND FAMILY SERVICES AND WHO IS APPOINTED BY THE
44 PRESIDENT OF THE SENATE.

1 B. THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE PRESIDENT OF
2 THE SENATE SHALL EACH DESIGNATE A MEMBER OF THE COMMITTEE TO SERVE AS A
3 COCHAIRPERSON.

4 C. TEN MEMBERS OF THE COMMITTEE CONSTITUTE A QUORUM.

5 D. THE COMMITTEE SHALL:

6 1. ANNUALLY REVIEW ALL REPORTING REQUIREMENTS AND PERFORMANCE
7 STANDARDS OF THE DIVISION OF CHILDREN, YOUTH AND FAMILIES IN THE DEPARTMENT
8 OF ECONOMIC SECURITY AND MAKE RECOMMENDATIONS TO THE DEPARTMENT, THE
9 PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE
10 GOVERNOR REGARDING STREAMLINING AND IMPROVEMENTS.

11 2. ANNUALLY REVIEW ALL REPORTS OF CHILD ABUSE, NEGLECT AND DEPENDENCY
12 AND ACTIONS TAKEN BY THE DEPARTMENT OF ECONOMIC SECURITY TO PROTECT CHILDREN.

13 3. HAVE ACCESS TO ALL CHILD PROTECTIVE SERVICES RECORDS OF THE
14 DEPARTMENT OF ECONOMIC SECURITY ON REQUEST OF A CHAIRPERSON OF THE COMMITTEE
15 OR A MAJORITY VOTE OF THE COMMITTEE.

16 4. ANNUALLY REPORT ITS FINDINGS TO THE SPEAKER OF THE HOUSE OF
17 REPRESENTATIVES, THE PRESIDENT OF THE SENATE AND THE JOINT LEGISLATIVE
18 COMMITTEE ON CHILDREN AND FAMILY SERVICES. THIS REPORT SHALL NOT DISCLOSE
19 ANY IDENTIFYING INFORMATION ABOUT CHILDREN THAT ARE IN THE CUSTODY OF THE
20 CHILD PROTECTIVE SERVICES.

21 5. MAKE RECOMMENDATIONS TO IMPROVE THE SYSTEM THAT DELIVERS SERVICES
22 TO CHILDREN AND FAMILIES.

23 6. SERVE AS A RESOURCE FOR THE JOINT LEGISLATIVE COMMITTEE ON CHILDREN
24 AND FAMILY SERVICES.

25 7. MEET WITHIN THIRTY DAYS AFTER THE PRESENTATION BY THE JOINT
26 LEGISLATIVE COMMITTEE ON CHILDREN AND FAMILY SERVICES, OR BY A MEMBER OF THE
27 LEGISLATURE, OF A WRITTEN CONSTITUENT COMPLAINT AND A WRITTEN REQUEST TO
28 REVIEW OR WHENEVER A MAJORITY OF THE COMMITTEE MEMBERS CONSIDER IT NECESSARY.
29 IF THE COMMITTEE MEETS PURSUANT TO THE REQUEST OF THE JOINT LEGISLATIVE
30 COMMITTEE ON CHILDREN AND FAMILY SERVICES OR A LEGISLATOR'S REQUEST TO
31 REVIEW, THE LEGISLATOR WHO MADE THE REQUEST MAY BE PRESENT WHEN THE COMMITTEE
32 REVIEWS THE CASE AND MAY RECEIVE AND REVIEW ALL INFORMATION PRESENTED
33 PERTAINING TO THE MATTER REQUESTED TO BE REVIEWED. ON REQUEST OF THE PERSON
34 WHO IS THE SUBJECT OF AN INVESTIGATION UNDER REVIEW, THE COMMITTEE MAY MEET
35 WITH THAT PERSON IN EXECUTIVE SESSION PURSUANT TO SECTION 38-431.03 AND
36 WITHOUT THE PRESENCE OF ANY REPRESENTATIVE OF THE DEPARTMENT OF ECONOMIC
37 SECURITY.

38 8. MEET AT LEAST ANNUALLY TO REVIEW CHILD FATALITIES RELATED TO ABUSE
39 OR NEGLECT.

40 E. WHEN THE COMMITTEE IS REVIEWING REPORTS OF CHILD ABUSE, NEGLECT AND
41 DEPENDENCY, THE MEETINGS SHALL BE CLOSED TO THE PUBLIC TO PROTECT THE
42 IDENTITY OF THE PEOPLE INVOLVED.

43 F. THE COMMITTEE MAY USE THE SERVICES OF LEGISLATIVE STAFF AND THE
44 STAFF OF THE DIVISION OF CHILDREN, YOUTH AND FAMILIES OF THE DEPARTMENT OF
45 ECONOMIC SECURITY.

46 41-1291.02. Joint legislative committee on adoption promotion

1 A. THE JOINT LEGISLATIVE COMMITTEE ON ADOPTION PROMOTION IS
2 ESTABLISHED CONSISTING OF THE FOLLOWING MEMBERS:

3 1. TWO MEMBERS OF THE SENATE WHO ARE FROM DIFFERENT POLITICAL PARTIES
4 AND WHO ARE APPOINTED BY THE PRESIDENT OF THE SENATE. THESE MEMBERS SHALL
5 SERVE AS NONVOTING ADVISORY MEMBERS. THE PRESIDENT OF THE SENATE SHALL
6 SELECT ONE OF THESE MEMBERS TO SERVE AS COCHAIRPERSON OF THE COMMITTEE.

7 2. TWO MEMBERS OF THE HOUSE OF REPRESENTATIVES WHO ARE FROM DIFFERENT
8 POLITICAL PARTIES AND WHO ARE APPOINTED BY THE SPEAKER OF THE HOUSE OF
9 REPRESENTATIVES. THESE MEMBERS SHALL SERVE AS NONVOTING ADVISORY MEMBERS.
10 THE SPEAKER OF THE HOUSE OF REPRESENTATIVES SHALL SELECT ONE OF THESE MEMBERS
11 TO SERVE AS COCHAIRPERSON OF THE COMMITTEE.

12 3. THE DIRECTOR OF THE DEPARTMENT OF ECONOMIC SECURITY OR THE
13 DIRECTOR'S DESIGNEE.

14 4. ONE MEMBER OF A MARKETING FIRM WHO IS APPOINTED BY THE SPEAKER OF
15 THE HOUSE OF REPRESENTATIVES.

16 5. ONE FOSTER PARENT WHO IS IN THE PROCESS, OR HAS ALREADY COMPLETED,
17 THE PROCESS OF ADOPTING A FOSTER CHILD THROUGH THE DEPARTMENT OF ECONOMIC
18 SECURITY AND WHO IS APPOINTED BY THE PRESIDENT OF THE SENATE.

19 6. A REPRESENTATIVE OF A FAITH BASED ORGANIZATION THAT HAS A MISSION
20 STATEMENT THAT INCLUDES PLACING FOSTER CHILDREN INTO ADOPTIVE HOMES WHO IS
21 APPOINTED BY THE PRESIDENT OF THE SENATE.

22 7. AN ATTORNEY WHO IS LICENSED TO PRACTICE LAW IN THIS STATE, WHO
23 SPECIALIZES IN ADOPTION LAW AND WHO IS APPOINTED BY THE SPEAKER OF THE HOUSE
24 OF REPRESENTATIVES.

25 8. A MEMBER OF THE FOSTER CARE REVIEW BOARD ESTABLISHED BY SECTION
26 8-515.04 WHO IS APPOINTED BY THE PRESIDENT OF THE SENATE.

27 9. A COURT APPOINTED SPECIAL ADVOCATE PURSUANT TO SECTION 8-523 WHO IS
28 APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

29 10. TWO EXPERTS IN THE FIELD OF ADOPTION WHO ALSO SPECIALIZE IN THE
30 PLACEMENT OF FOSTER CHILDREN INTO ADOPTIVE HOMES, ONE OF WHOM IS APPOINTED BY
31 THE PRESIDENT OF THE SENATE AND ONE OF WHOM IS APPOINTED BY THE SPEAKER OF
32 THE HOUSE OF REPRESENTATIVES.

33 B. THE JOINT LEGISLATIVE COMMITTEE ON ADOPTION PROMOTION SHALL:

34 1. REVIEW WAYS THIS STATE CURRENTLY USES MONIES TO PROMOTE THE
35 ADOPTION OF FOSTER CHILDREN WHO HAVE A CASE PLAN OF ADOPTION.

36 2. EXAMINE THE PRACTICES AND OUTREACH EFFORTS THIS STATE HAS UNDERGONE
37 IN THE PAST AND MAKE RECOMMENDATIONS TO IMPROVE THEIR EFFECTIVENESS.

38 3. REVIEW ADOPTION PROCESSES IN ORDER TO IDENTIFY OBSTACLES.

39 4. PROVIDE RECOMMENDATIONS TO THE DEPARTMENT OF ECONOMIC SECURITY AND
40 TO THE JOINT LEGISLATIVE BUDGET COMMITTEE ON WAYS THIS STATE MAY PROMOTE THE
41 ADOPTION OF FOSTER CHILDREN WHO HAVE A CASE PLAN OF ADOPTION.

42 5. MAKE RECOMMENDATIONS TO THE DEPARTMENT OF ECONOMIC SECURITY AND TO
43 THE JOINT LEGISLATIVE BUDGET COMMITTEE ON WAYS TO SPEND THE ANNUAL FEDERAL
44 TEMPORARY ASSISTANCE TO NEEDY FAMILIES MONIES THAT ARE DESIGNATED FOR
45 OUTREACH FOR PROSPECTIVE ADOPTION OF FOSTER CHILDREN.

1 C. THE DEPARTMENT OF ECONOMIC SECURITY SHALL PROVIDE STAFF SUPPORT FOR
2 THIS COMMITTEE.

3 Sec. 12. Section 41-1954, Arizona Revised Statutes, is amended to read:
4 41-1954. Powers and duties

5 A. In addition to the powers and duties of the agencies listed in
6 section 41-1953, subsection E, the department shall:

7 1. Administer the following services:

8 (a) Employment services, which shall include manpower programs and
9 work training, field operations, technical services, unemployment
10 compensation, community work and training and other related functions in
11 furtherance of programs under the social security act, as amended, the
12 Wagner-Peyser act, as amended, the federal unemployment tax act, as amended,
13 33 United States Code, the family support act of 1988 (P.L. 100-485) and
14 other related federal acts and titles.

15 (b) Individual and family services, which shall include a section on
16 aging, services to children, youth and adults and other related functions in
17 furtherance of social service programs under the social security act, as
18 amended, title IV, grants to states for aid and services to needy families
19 with children and for child-welfare services, title XX, grants to states for
20 services, the older Americans act, as amended, the family support act of 1988
21 (P.L. 100-485) and other related federal acts and titles.

22 (c) Income maintenance services, which shall include categorical
23 assistance programs, special services unit, child support collection
24 services, establishment of paternity services, maintenance and operation of a
25 state case registry of child support orders, a state directory of new hires,
26 a support payment clearinghouse and other related functions in furtherance of
27 programs under the social security act, title IV, grants to states for aid
28 and services to needy families with children and for child-welfare services,
29 title XX, grants to states for services, as amended, and other related
30 federal acts and titles.

31 (d) Rehabilitation services, which shall include vocational
32 rehabilitation services and sections for the blind and visually impaired,
33 communication disorders, correctional rehabilitation and other related
34 functions in furtherance of programs under the vocational rehabilitation act,
35 as amended, the Randolph-Sheppard act, as amended, and other related federal
36 acts and titles.

37 (e) Administrative services, which shall include the coordination of
38 program evaluation and research, interagency program coordination and
39 in-service training, planning, grants, development and management,
40 information, legislative liaison, budget, licensing and other related
41 functions.

42 (f) Manpower planning, which shall include a state manpower planning
43 council for the purposes of the federal-state-local cooperative manpower
44 planning system and other related functions in furtherance of programs under
45 the comprehensive employment and training act of 1973, as amended, and other
46 related federal acts and titles.

1 (g) Economic opportunity services, which shall include the furtherance
2 of programs prescribed under the economic opportunity act of 1967, as
3 amended, and other related federal acts and titles.

4 (h) Mental retardation and other developmental disability programs,
5 with emphasis on referral and purchase of services. The program shall
6 include educational, rehabilitation, treatment and training services and
7 other related functions in furtherance of programs under the developmental
8 disabilities services and facilities construction act, Public Law 91-517, and
9 other related federal acts and titles.

10 (i) Nonmedical home and community based services and functions
11 including department designated case management, housekeeping services, chore
12 services, home health aid, personal care, visiting nurse services, adult day
13 care or adult day health, respite sitter care, attendant care, home delivered
14 meals and other related services and functions.

15 2. Provide a coordinated system of initial intake, screening,
16 evaluation and referral of persons served by the department.

17 3. Adopt rules it deems necessary or desirable to further the
18 objectives and programs of the department.

19 4. Formulate policies, plans and programs to effectuate the missions
20 and purposes of the department.

21 5. Employ, determine the conditions of employment and prescribe the
22 duties and powers of administrative, professional, technical, secretarial,
23 clerical and other persons as may be necessary in the performance of its
24 duties, contract for the services of outside advisors, consultants and aides
25 as may be reasonably necessary and reimburse department volunteers,
26 designated by the director, for expenses in transporting clients of the
27 department on official business.

28 6. Make contracts and incur obligations within the general scope of
29 its activities and operations subject to the availability of funds.

30 7. Contract with or assist other departments, agencies and
31 institutions of the state, local and federal governments in the furtherance
32 of its purposes, objectives and programs.

33 8. Be designated as the single state agency for the purposes of
34 administering and in furtherance of each federally supported state plan.

35 9. Accept and disburse grants, matching funds and direct payments from
36 public or private agencies for the conduct of programs which are consistent
37 with the overall purposes and objectives of the department.

38 10. Provide information and advice on request by local, state and
39 federal agencies and by private citizens, business enterprises and community
40 organizations on matters within the scope of its duties subject to the
41 departmental rules on the confidentiality of information.

42 11. Establish and maintain separate financial accounts as required by
43 federal law or regulations.

44 12. Advise with and make recommendations to the governor and the
45 legislature on all matters concerning its objectives.

46 13. Have an official seal which shall be judicially noticed.

1 14. Annually estimate the current year's population of each county,
2 city and town in this state, using the periodic census conducted by the
3 United States department of commerce, or its successor agency, as the basis
4 for such estimates and deliver such estimates to the economic estimates
5 commission before December 15.

6 15. Estimate the population of any newly annexed areas of a political
7 subdivision as of July 1 of the fiscal year in which the annexation occurs
8 and deliver such estimates as promptly as is feasible after the annexation
9 occurs to the economic estimates commission.

10 16. Establish and maintain a statewide program of services for persons
11 who are both hearing impaired and visually impaired and coordinate
12 appropriate services with other agencies and organizations to avoid
13 duplication of these services and to increase efficiency. The department of
14 economic security shall enter into agreements for the utilization of the
15 personnel and facilities of the department of economic security, the
16 department of health services and other appropriate agencies and
17 organizations in providing these services.

18 17. Establish and charge fees for deposit in the department of economic
19 security prelayoff assistance services fund to employers who voluntarily
20 participate in the services of the department which provide job service and
21 retraining for persons who have been or are about to be laid off from
22 employment. The department shall charge only those fees necessary to cover
23 the costs of administering the job service and retraining services.

24 18. Establish a focal point for addressing the issue of hunger in
25 Arizona and provide coordination and assistance to public and private
26 nonprofit organizations which aid hungry persons and families throughout this
27 state. Specifically such activities shall include:

28 (a) Collecting and disseminating information regarding the location
29 and availability of surplus food for distribution to needy persons, the
30 availability of surplus food for donation to charity food bank organizations,
31 and the needs of charity food bank organizations for surplus food.

32 (b) Coordinating the activities of federal, state, local and private
33 nonprofit organizations that provide food assistance to the hungry.

34 (c) Accepting and disbursing federal monies, and any state monies
35 appropriated by the legislature, to private nonprofit organizations in
36 support of the collection, receipt, handling, storage and distribution of
37 donated or surplus food items.

38 (d) Providing technical assistance to private nonprofit organizations
39 that provide or intend to provide services to the hungry.

40 (e) Developing a state plan on hunger which, at a minimum, identifies
41 the magnitude of the hunger problem in this state, the characteristics of the
42 population in need, the availability and location of charity food banks and
43 the potential sources of surplus food, assesses the effectiveness of the
44 donated food collection and distribution network and other efforts to
45 alleviate the hunger problem, and recommends goals and strategies to improve
46 the status of the hungry. The state plan on hunger shall be incorporated

1 into the department's state comprehensive plan prepared pursuant to section
2 41-1956.

3 (f) Establishing a special purpose advisory council on hunger pursuant
4 to section 41-1981.

5 19. Establish an office to address the issue of homelessness and to
6 provide coordination and assistance to public and private nonprofit
7 organizations that prevent homelessness or aid homeless individuals and
8 families throughout this state. These activities shall include:

9 (a) Promoting and participating in planning for the prevention of
10 homelessness and the development of services to homeless persons.

11 (b) Identifying and developing strategies for resolving barriers in
12 state agency service delivery systems that inhibit the provision and
13 coordination of appropriate services to homeless persons and persons in
14 danger of being homeless.

15 (c) Assisting in the coordination of the activities of federal, state
16 and local governments and the private sector that prevent homelessness or
17 provide assistance to homeless people.

18 (d) Assisting in obtaining and increasing funding from all appropriate
19 sources to prevent homelessness or assist in alleviating homelessness.

20 (e) Serving as a clearinghouse on information regarding funding and
21 services available to assist homeless persons and persons in danger of being
22 homeless.

23 (f) Developing an annual state comprehensive homeless assistance plan
24 to prevent and alleviate homelessness.

25 (g) Submitting an annual report by January 1, 1992 and each year
26 thereafter to the governor, the president of the senate and the speaker of
27 the house of representatives on the status of homelessness and efforts to
28 prevent and alleviate homelessness.

29 20. Cooperate with the Arizona-Mexico commission in the governor's
30 office and with researchers at universities in this state to collect data and
31 conduct projects in the United States and Mexico on issues that are within
32 the scope of the department's duties and that relate to quality of life,
33 trade and economic development in this state in a manner that will help the
34 Arizona-Mexico commission to assess and enhance the economic competitiveness
35 of this state and of the Arizona-Mexico region.

36 B. If the department has responsibility for the care, custody or
37 control of a child or is paying the cost of care for a child, it may serve as
38 representative payee to receive and administer social security and veterans
39 administration benefits and other benefits payable to such child.
40 Notwithstanding any law to the contrary, the department:

41 1. Shall deposit, pursuant to sections 35-146 and 35-147, such monies
42 as it receives to be retained separate and apart from the state general fund
43 on the books of the department of administration.

44 2. May use such monies to defray the cost of care and services
45 expended by the department for the benefit, welfare and best interests of the

1 child and invest any of the monies that the director determines are not
2 necessary for immediate use.

3 3. Shall maintain separate records to account for the receipt,
4 investment and disposition of funds received for each child.

5 4. On termination of the department's responsibility for the child,
6 shall release any funds remaining to the child's credit in accordance with
7 the requirements of the funding source or in the absence of such requirements
8 shall release the remaining funds to:

9 (a) The child, if the child is at least eighteen years of age or is
10 emancipated.

11 (b) The person responsible for the child if the child is a minor and
12 not emancipated.

13 C. Subsection B of this section does not pertain to benefits payable
14 to or for the benefit of a child receiving services under title 36.

15 D. Volunteers reimbursed for expenses pursuant to subsection A,
16 paragraph 5 of this section are not eligible for workers' compensation under
17 title 23, chapter 6.

18 E. In implementing the temporary assistance for needy families program
19 pursuant to Public Law 104-193, the department shall provide for cash
20 assistance to two parent families if both parents are able to work only upon
21 documented participation by both parents in work activities described in
22 title 46, chapter 2, article 5, except that payments may be made to families
23 who do not meet the participation requirements if:

24 1. It is determined on an individual case basis that they have
25 emergency needs.

26 2. The family is determined to be eligible for diversion from
27 long-term cash assistance pursuant to title 46, chapter 2, article 5.

28 F. The department shall provide for cash assistance under temporary
29 assistance for needy families pursuant to Public Law 104-193 to two parent
30 families for no longer than six months if both parents are able to work,
31 except that additional assistance may be provided on an individual case basis
32 to families with extraordinary circumstances. The department shall establish
33 by rule the criteria to be used to determine eligibility for additional cash
34 assistance.

35 ~~G. The department may establish a representative payee program to~~
36 ~~provide representative payee services to manage social security or~~
37 ~~supplemental security income benefits for persons who are receiving general~~
38 ~~assistance benefits pursuant to section 46-233 and who require the services~~
39 ~~of a representative payee to manage social security or supplemental security~~
40 ~~income benefits. The department may use not more than an average of eight~~
41 ~~hundred fifty dollars for any one person annually from monies appropriated~~
42 ~~for general assistance benefits for the purpose of paying persons or agencies~~
43 ~~to provide representative payee services.~~

44 ~~H.~~ G. The department shall adopt the following discount medical
45 payment system no later than October 1, 1993 for persons who the department

1 determines are eligible and who are receiving rehabilitation services
2 pursuant to subsection A, paragraph 1, subdivision (d) of this section:

3 1. For inpatient hospital admissions and outpatient hospital services
4 the department shall reimburse a hospital according to the tiered per diem
5 rates and outpatient cost-to-charge ratios established by the Arizona health
6 care cost containment system pursuant to section 36-2903.01, subsection H.

7 2. The department's liability for a hospital claim under this
8 subsection is subject to availability of funds.

9 3. A hospital bill is considered received for purposes of paragraph 5
10 of this subsection upon initial receipt of the legible, error-free claim form
11 by the department if the claim includes the following error-free
12 documentation in legible form:

13 (a) An admission face sheet.

14 (b) An itemized statement.

15 (c) An admission history and physical.

16 (d) A discharge summary or an interim summary if the claim is split.

17 (e) An emergency record, if admission was through the emergency room.

18 (f) Operative reports, if applicable.

19 (g) A labor and delivery room report, if applicable.

20 4. The department shall require that the hospital pursue other third
21 party payors before submitting a claim to the department. Payment received
22 by a hospital from the department pursuant to this subsection is considered
23 payment by the department of the department's liability for the hospital
24 bill. A hospital may collect any unpaid portion of its bill from other third
25 party payors or in situations covered by title 33, chapter 7, article 3.

26 5. For inpatient hospital admissions and outpatient hospital services
27 rendered on and after October 1, 1997, if the department receives the claim
28 directly from the hospital, the department shall pay a hospital's rate
29 established according to this section subject to the following:

30 (a) If the hospital's bill is paid within thirty days of the date the
31 bill was received, the department shall pay ninety-nine per cent of the rate.

32 (b) If the hospital's bill is paid after thirty days but within sixty
33 days of the date the bill was received, the department shall pay one hundred
34 per cent of the rate.

35 (c) If the hospital's bill is paid any time after sixty days of the
36 date the bill was received, the department shall pay one hundred per cent of
37 the rate plus a fee of one per cent per month for each month or portion of a
38 month following the sixtieth day of receipt of the bill until the date of
39 payment.

40 6. For medical services other than those for which a rate has been
41 established pursuant to section 36-2903.01, subsection H, the department
42 shall pay according to the Arizona health care cost containment system capped
43 fee-for-service schedule adopted pursuant to section 36-2904, subsection ~~L~~ K
44 or any other established fee schedule the department determines reasonable.

~~I.~~ H. The department shall not pay claims for services pursuant to this section that are submitted more than nine months after the date of service for which the payment is claimed.

~~J.~~ I. To assist in the location of persons or assets for the purpose of establishing paternity, establishing, modifying or enforcing child support obligations and other related functions, the department has access, including automated access if the records are maintained in an automated ~~data-base~~ DATABASE, to records of state and local government agencies, including:

1. Vital statistics, including records of marriage, birth and divorce.
2. State and local tax and revenue records, including information on residence address, employer, income and assets.
3. Records concerning real and titled personal property.
4. Records of occupational and professional licenses.
5. Records concerning the ownership and control of corporations, partnerships and other business entities.
6. Employment security records.
7. Records of agencies administering public assistance programs.
8. Records of the motor vehicle division of the department of transportation.
9. Records of the state department of corrections.

10. Any system used by a state agency to locate a person for motor vehicle or law enforcement purposes, including access to information contained in the Arizona criminal justice information system.

~~K.~~ J. Notwithstanding subsection ~~J.~~ I of this section, the department or its agents shall not seek or obtain information on the assets of an individual unless paternity is presumed pursuant to section 25-814 or established.

~~L.~~ K. Access to records of the department of revenue pursuant to subsection ~~J.~~ I of this section shall be provided in accordance with section 42-2003.

~~M.~~ L. The department also has access to certain records held by private entities with respect to child support obligors or obligees, or individuals against whom such an obligation is sought. The information shall be obtained as follows:

1. In response to a child support subpoena issued by the department pursuant to section 25-520, the names and addresses of these persons and the names and addresses of the employers of these persons, as appearing in customer records of public utilities and cable television companies.

2. Information on these persons held by financial institutions.

~~N.~~ M. Pursuant to department rules, the department may compromise or settle any support debt owed to the department if the director or an authorized agent determines that it is in the best interest of the state and after considering each of the following factors:

1. The obligor's financial resources.
2. The cost of further enforcement action.
3. The likelihood of recovering the full amount of the debt.

~~0.~~ N. Notwithstanding any law to the contrary, a state or local governmental agency or private entity is not subject to civil liability for the disclosure of information made in good faith to the department pursuant to this section.

Sec. 13. Section 41-1961, Arizona Revised Statutes, is amended to read:

41-1961. District offices; location; representatives

A. The department shall establish at least six district offices, to be located in and serve the various related geographical areas of the state. The districts shall have common boundaries for all services provided by the department.

B. Each district office shall be staffed by a representative from each major organizational service unit of the department. One of the representatives shall be designated by the director to coordinate the district office.

C. Each district office shall be considered an operations unit of the department and shall be responsible for the planning, programs, ~~intra~~ INTRAAGENCY and interagency coordination within the district area.

D. Each district office shall be ~~created~~ ESTABLISHED in addition to any local offices of the department that may exist in the district area.

E. THE DIVISION OF DEVELOPMENTAL DISABILITIES IS EXEMPT FROM THE REQUIREMENTS OF THIS SECTION.

Sec. 14. Section 41-2031, Arizona Revised Statutes, is amended to read:

41-2031. Marriage and communication skills commission; membership; duties; staff; definition

A. The marriage and communication skills commission is established consisting of the following members who serve at the pleasure of the appointing person:

1. Two members of the senate who are from different political parties and who are appointed by the president of the senate. These members serve as advisory members. The president of the senate shall select one member to cochair the commission.

2. Two members of the house of representatives who are from different political parties and who are appointed by the speaker of the house of representatives. These members serve as advisory members. The speaker of the house of representatives shall select one member to cochair the commission.

3. The governor or the governor's designee.

4. The director of the department of economic security or the director's designee.

5. One member of the news media who is appointed by the speaker of the house of representatives.

6. An expert in the field of marriage and family education and counseling who is licensed to practice medicine or psychology in this state,

1 who specializes in marriage counseling and who is appointed by the president
2 of the senate.

3 7. An attorney who is licensed to practice law in this state, who
4 specializes in family law related education and who is appointed by the
5 governor.

6 B. The marriage and communication skills commission shall:

7 1. Review plans submitted to the department by the applicant
8 community-based organizations for participation in the marriage and
9 communication skills program and shall recommend community-based
10 organizations that are eligible to receive funding pursuant to section
11 41-2032.

12 2. Review renewal applications from participating community-based
13 organizations and make recommendations to the department.

14 3. Develop, **UPDATE** and distribute free of charge to marriage license
15 applicants a handbook that includes information about the importance of
16 communication, shared parental responsibility for children, child support
17 responsibilities, alimony, domestic violence, child abuse and neglect, court
18 process for divorce, community resources for parents who are divorced or
19 separated, community resources for children of parents who are divorced or
20 separated and marriage education courses that are available in each county.

21 4. Evaluate the program and beginning on November 1, 2001 report
22 annually by November to the governor, the president of the senate, the
23 speaker of the house of representatives and the joint legislative audit
24 committee. The commission shall provide a copy of the report to the
25 secretary of state and the ~~department of~~ **ARIZONA STATE** library, archives and
26 public records.

27 5. Recommend qualifying criteria for ~~married or cohabitating parents~~
28 **PERSONS** who apply to the department of economic security for a voucher to
29 attend a marriage skills training course.

30 C. The department of economic security shall provide staff and support
31 services to the commission.

32 D. For purposes of this section, "advisory member" means a member who
33 advises the commission but who is not eligible to vote and is not a member
34 for the purposes of determining a quorum.

35 Sec. 15. Section 41-2032, Arizona Revised Statutes, is amended to
36 read:

37 **41-2032. Community-based marriage and communication skills**
38 **program; fund; program termination**

39 A. A community-based organization may apply to participate or may
40 complete an application to continue in the marriage and communication program
41 as provided in this section for any fiscal year by submitting by April 15 a
42 program proposal or an application to continue the program to the department.
43 The department shall approve applicants after reviewing recommendations made
44 by the marriage and communication skills commission established by section
45 41-2031. New applicants are restricted to unencumbered monies that have been

1 appropriated in previous fiscal years or monies appropriated to expand the
2 program.

3 B. A program proposal shall contain:

4 1. A plan for implementing a marriage and communication skills program
5 or a plan that demonstrates the existence of a marriage and communication
6 skills program.

7 2. A plan to adopt a marriage and communication skills curriculum that
8 emphasizes relationship skills, including communication and negotiation
9 skills that are necessary to resolve common relationship problems.

10 3. A description of any model curricula that the community-based
11 organization plans to use to provide marriage and communication skills. Any
12 model curricula used by a community-based organization pursuant to this
13 section shall not discuss or encourage unlawful behavior.

14 4. A plan to incorporate discussions of family law and domestic
15 violence issues into the curriculum and marriage license options, including
16 covenant marriage options.

17 C. A community-based marriage and communication skills program fund is
18 established consisting of legislative appropriations. The department of
19 economic security shall administer the fund and not more than five per cent
20 shall be used for administrative costs. The department of economic security
21 shall distribute monies to the community-based organizations whose plans have
22 been recommended by the marriage and ~~parenting~~ COMMUNICATION skills
23 commission. Monies in the fund are exempt from the provisions of section
24 35-190 relating to ~~the~~ lapsing of appropriations and are continuously
25 appropriated.

26 D. Community-based organizations shall spend monies received under the
27 program to implement approved plans.

28 E. The program established by this article ends on ~~July 1, 2005~~
29 ~~SEPTEMBER 1, 2009~~ pursuant to section 41-3102.

30 Sec. 16. Title 41, chapter 14, article 6, Arizona Revised Statutes, is
31 amended by adding section 41-2033, to read:

32 41-2033. Community based relationship skills high school pilot
33 program; program termination

34 A. SCHOOL DISTRICTS MAY APPLY TO PARTICIPATE OR MAY COMPLETE AN
35 APPLICATION TO CONTINUE IN THE COMMUNITY BASED RELATIONSHIP SKILLS HIGH
36 SCHOOL PILOT PROGRAM AS PROVIDED IN THIS SECTION FOR ANY FISCAL YEAR BY
37 SUBMITTING BY APRIL 15 A PROGRAM PROPOSAL OR AN APPLICATION TO CONTINUE THE
38 PROGRAM TO THE DEPARTMENT. THE DEPARTMENT SHALL APPROVE APPLICANTS AFTER
39 REVIEWING RECOMMENDATIONS MADE BY THE MARRIAGE AND COMMUNICATION SKILLS
40 COMMISSION ESTABLISHED BY SECTION 41-2031. NEW APPLICANTS ARE RESTRICTED TO
41 UNENCUMBERED MONIES THAT HAVE BEEN APPROPRIATED IN PREVIOUS FISCAL YEARS OR
42 MONIES APPROPRIATED TO EXPAND THE PROGRAM.

43 B. A PROGRAM PROPOSAL SHALL CONTAIN:

44 1. A PLAN FOR IMPLEMENTING A RELATIONSHIP SKILLS PROGRAM OR A PLAN
45 THAT DEMONSTRATES THE EXISTENCE OF A RELATIONSHIP SKILLS PROGRAM.

2. A PLAN TO ADOPT A RELATIONSHIP SKILLS CURRICULUM THAT EMPHASIZES RELATIONSHIP SKILLS, INCLUDING COMMUNICATION AND NEGOTIATION SKILLS, DOMESTIC VIOLENCE PREVENTION AND MARRIAGE PREPARATION.

3. A DESCRIPTION OF ANY MODEL CURRICULA THAT THE SCHOOL DISTRICT PLANS TO PROVIDE RELATIONSHIP SKILLS. ANY MODEL CURRICULA USED BY A SCHOOL DISTRICT PURSUANT TO THIS SECTION SHALL NOT DISCUSS OR ENCOURAGE UNLAWFUL BEHAVIOR.

D. SCHOOL DISTRICTS SHALL SPEND MONIES RECEIVED UNDER THIS PROGRAM TO IMPLEMENT THE APPROVED PLANS.

E. THE PROGRAM ESTABLISHED BY THIS SECTION ENDS ON SEPTEMBER 1, 2009, PURSUANT TO SECTION 41-3102.

Sec. 17. Section 42-5252, Arizona Revised Statutes, is amended to read:

42-5252. Levy of tax

A. A tax is levied on every provider in an amount as follows:

1. For the fiscal years beginning from and after June 30, 2001 and ending before July 1, 2006, thirty-seven cents per month for each activated wire and wireless service account for the purpose of financing emergency telecommunication services.

2. For fiscal year 2006-2007, twenty-eight cents per month for each activated wire and wireless service account for the purpose of financing emergency telecommunication services.

3. For the fiscal years beginning from and after June 30, 2007, twenty cents per month for each activated wire and wireless service account for the purpose of financing emergency telecommunication services.

4. 0.68 per cent of the provider's gross proceeds of sales or gross income derived from the business of providing exchange access services for the purpose of financing telecommunication devices for the deaf and the severely hearing and speech impaired under the program established pursuant to section 36-1947.

5. ~~0.18~~ 0.25 per cent of the provider's gross proceeds of sales or gross income derived from the business of providing exchange access services for the purpose of financing the Arizona poison control system. These monies shall be deposited in the poison control fund administered by the department of health services and are subject to legislative appropriation.

6. ~~0.23~~ 0.16 per cent of the provider's gross proceeds of sales or gross income derived from the business of providing exchange access services for the purpose of financing the operating expenses of the Arizona state schools for the deaf and the blind pursuant to section 15-1306.

7. 0.01 per cent of the provider's gross proceeds of sales or gross income derived from the business of providing exchange access services for the purpose of financing the teratogen information program at the university of Arizona. These monies shall be deposited in the teratogen information program fund administered by the university of Arizona health sciences center.

1 B. Each provider shall state on the invoice to customers a separate
2 line item stating the amount of tax levied pursuant to subsection A of this
3 section.

4 C. Unless the context otherwise requires, article 1 of this chapter
5 governs the administration of the tax imposed under this section.

6 Sec. 18. Section 46-136, Arizona Revised Statutes, is amended to read:

7 46-136. Powers of state department regarding work projects for
8 unemployed persons

9 A. The state department may institute work projects for the employment
10 of needy unemployed persons being granted public assistance. The nature of
11 the work projects shall be determined by the state department and the
12 governing body of the county, municipal government or school district
13 involved, to be projects necessary and desirable to the community including
14 projects designed to improve health and public safety. County or municipal
15 governments, including school districts, shall cooperate in such projects by
16 furnishing supervision, transportation and payment of industrial commission
17 insurance.

18 B. The state department shall act as the official agency for the state
19 in any social welfare activity initiated by the federal government and shall
20 administer state funds appropriated or made available for the relief of
21 dependent persons, except as otherwise provided by law.

22 C. The state department shall expend from appropriations ~~available for~~
23 ~~general assistance,~~ or from any amounts ~~otherwise~~ available by law, amounts
24 as in the discretion of the director, are determined necessary for such
25 purpose in conjunction with any agency or department of the federal
26 government for the purpose of receiving and distributing food stamps offered
27 to public welfare agencies for needy persons. The amount so determined may
28 be expended by the department in payment of expenses necessarily incurred by
29 reason of the receipt or distribution of such food stamps.

30 Sec. 19. Section 46-207, Arizona Revised Statutes, is amended to read:

31 46-207. Grant plus income; uniform assistance plan; amount of
32 assistance

33 A. In no event shall assistance paid any recipient under this title be
34 an amount which, when added to income from all other sources, causes the
35 total of income and grant to exceed the need of the recipient under uniform
36 assistance plans for each program as determined by the state department,
37 except that ~~the provisions of~~ this subsection shall not apply to ~~the optional~~
38 ~~state supplemental payments program authorized in section 46-252 or~~ temporary
39 assistance for needy families prescribed in section 46-292.

40 B. If the total monies available for payment of assistance grants are
41 not sufficient to meet the maximum amount for which each applicant or
42 recipient is eligible by law, the department shall notify the joint
43 legislative budget committee of the insufficiency of monies and shall make
44 recommendations on how to overcome the insufficiency. The department shall
45 not recommend reductions of an equal amount from every grant in each category
46 of assistance, but shall take into consideration the needs of the applicants

1 or recipients, and shall recommend the reductions necessary by specifying the
2 percentage of budgeted needs which may be met within the maximums established
3 in accordance with subsection A of this section. The department shall make
4 the adjustments determined by the joint legislative budget committee.

5 C. In determining the amount of assistance which a recipient or
6 applicant may receive under this title, the department shall include all
7 income and resources from every source of the person claiming such aid,
8 except that which is required to be disregarded as defined in department rule
9 or by other provisions of this title, and shall consider and take into
10 account earning capacity, living conditions and all facts and circumstances
11 surrounding such person.

12 D. For assistance granted pursuant to section 46-292, the department
13 shall include a shelter cost factor. For purposes of determining assistance
14 payments with this shelter cost factor, the department shall reduce the
15 federal poverty level used in its calculation of payments by thirty-seven per
16 cent if the person is not paying, or is not obligated to pay, shelter costs
17 on his place of residence.

18 Sec. 20. Section 46-217, Arizona Revised Statutes, as amended by Laws
19 1997, chapter 300, section 47, is amended to read:

20 46-217. Finger imaging program; temporary assistance to needy
21 families

22 A. The department shall establish a finger imaging program.

23 B. Every adult applicant, adult recipient or eligible minor parent of
24 ~~general assistance~~, Arizona works pursuant to article 9 of this chapter or
25 temporary assistance for needy families as a condition of eligibility for
26 assistance is required to be finger imaged as required by this section.

27 C. Finger images obtained pursuant to this section shall be used only
28 for the purposes of determining eligibility for temporary assistance for
29 needy families, ~~AND~~ Arizona works pursuant to article 9 of this chapter ~~and~~
30 ~~general assistance~~ and preventing multiple enrollments in assistance programs
31 and may not be accessed by any other agency of this state for another
32 purpose.

33 D. The department shall adopt rules:

34 1. Setting forth the finger imaging requirements and any exceptions to
35 these requirements for physical or other impairment.

36 2. For administratively appealing multiple enrollment determinations.

37 E. An applicant for or recipient of temporary assistance for needy
38 families, ~~general assistance~~ or Arizona works pursuant to article 9 of this
39 chapter is not eligible for this assistance unless the adult applicant, adult
40 recipient or eligible minor parent provides finger images pursuant to the
41 finger imaging program.

42 F. If an adult applicant, adult recipient or eligible minor parent of
43 temporary assistance for needy families, ~~general assistance~~ or Arizona works
44 pursuant to article 9 of this chapter refuses to comply with the finger
45 imaging requirements, the department shall deny these benefits to the
46 assistance unit.

1 G. If an adult applicant, adult recipient or eligible minor parent of
 2 temporary assistance for needy families, ~~general assistance~~ or Arizona works
 3 pursuant to article 9 of this chapter complies with the finger imaging
 4 requirements and meets all other eligibility requirements, the department
 5 shall approve these benefits. If the finger image of an applicant, adult
 6 recipient or eligible minor parent for assistance matches another finger
 7 image on file, a fraud investigator shall be notified and the applicant or
 8 recipient shall be made aware of the match. If a finger image is not accessed
 9 within a one year period, it shall be purged from the file. If the
 10 investigator verifies the fraud, the department shall terminate
 11 benefits. The applicant or recipient may appeal this termination pursuant to
 12 section 46-205. If the match is appealed, the finger image match shall be
 13 verified by a trained individual before the termination of benefits.

14 H. The director of the department of economic security shall report to
 15 the chairperson of the senate appropriations committee and the chairperson of
 16 the house of representatives appropriations committee on February 15, 1997,
 17 and each year thereafter as to the actual and projected savings from reduced
 18 caseloads in the temporary assistance for needy families, ~~general assistance~~
 19 programs or Arizona works pursuant to article 9 of this chapter directly
 20 attributable to the finger imaging program prescribed by this section.

21 Sec. 21. Section 46-217, Arizona Revised Statutes, as amended by Laws
 22 2002, chapter 331, section 8, is amended to read:

23 46-217. Finger imaging program; temporary assistance to needy
 24 families

25 A. The department shall establish a finger imaging program.

26 B. Every adult applicant for, adult recipient or eligible minor parent
 27 recipient of ~~general assistance or~~ temporary assistance for needy families as
 28 a condition of eligibility for assistance is required to be finger imaged as
 29 required by this section.

30 C. Finger images obtained pursuant to this section shall be used only
 31 for the purposes of determining eligibility for temporary assistance for
 32 needy families ~~and general assistance~~ and preventing multiple enrollments in
 33 assistance programs and may not be accessed by any other agency of this state
 34 for another purpose.

35 D. The department shall adopt rules:

36 1. Setting forth the finger imaging requirements and any exceptions to
 37 these requirements for physical or other impairment.

38 2. For administratively appealing multiple enrollment determinations.

39 E. An applicant for or recipient of temporary assistance for needy
 40 families ~~or general assistance~~ is not eligible for this assistance unless the
 41 adult applicant, adult recipient or eligible minor parent provides finger
 42 images pursuant to the finger imaging program.

43 F. If an adult applicant for, adult recipient or eligible minor parent
 44 recipient of temporary assistance for needy families ~~or general assistance~~
 45 refuses to comply with the finger imaging requirements, the department shall
 46 deny these benefits to the assistance unit.

1 G. If an adult applicant for, adult recipient or eligible minor parent
 2 recipient of temporary assistance for needy families ~~or general assistance~~
 3 complies with the finger imaging requirements and meets all other eligibility
 4 requirements, the department shall approve these benefits. If the finger
 5 image of an applicant, adult recipient or eligible minor parent for
 6 assistance matches another finger image on file, a fraud investigator shall
 7 be notified and the applicant or recipient shall be made aware of the
 8 match. If a finger image is not accessed within a one year period, it shall
 9 be purged from the file. If the investigator verifies the fraud, the
 10 department shall terminate benefits. The applicant or recipient may appeal
 11 this termination pursuant to section 46-205. If the match is appealed, the
 12 finger image match shall be verified by a trained individual before the
 13 termination of benefits.

14 H. The director of the department of economic security shall report to
 15 the chairperson of the senate appropriations committee and the chairperson of
 16 the house of representatives appropriations committee on February 15, 1997,
 17 and each year thereafter as to the actual and projected savings from reduced
 18 caseloads in the temporary assistance for needy families ~~or general~~
 19 ~~assistance~~ programs directly attributable to the finger imaging program
 20 prescribed by this section.

21 Sec. 22. Repeal

22 Title 46, chapter 2, article 2, Arizona Revised Statutes, is repealed.

23 Sec. 23. Repeal

24 Section ~~46-252~~, Arizona Revised Statutes, is repealed.

25 Sec. 24. Section 46-295, Arizona Revised Statutes, is amended to read:

26 ~~46-295.~~ Recovery of public assistance from legally responsible
 27 persons: fund: definition

28 A. If a recipient of public assistance has a person legally
 29 responsible for that person's support who is presently able to reimburse the
 30 department for public assistance provided, the department, through the
 31 attorney general or county attorney, shall proceed in the following order
 32 against:

- 33 1. The spouse of a recipient.
- 34 2. The former spouse of a recipient.
- 35 3. A father or mother not presently receiving public assistance.
- 36 4. Any other legally responsible person.

37 B. If a recipient of public assistance receives an overpayment of
 38 support or is determined ineligible pursuant to section ~~46-233, 46-234,~~
 39 46-292 or 46-293, the department may recover the support incorrectly paid
 40 during that time period. The department shall deposit monies recovered in the
 41 public assistance collections fund established pursuant to this section.

42 C. On request of the department, the attorney general or county
 43 attorney shall commence an action in the superior court in the county where
 44 the recipient of public assistance resides or in the superior court in
 45 Maricopa county, against the persons in the order specified in subsection A
 46 of this section, to recover the assistance granted and to secure an order

1 requiring payment of amounts that become due in the future for which the
2 person is liable.

3 D. The public assistance collections fund is established consisting of
4 monies received pursuant to this section and section 41-2752. The department
5 shall administer the fund. Subject to legislative appropriation, the
6 department shall use fund monies to improve public assistance collection
7 activities. The department shall deposit, pursuant to sections 35-146 and
8 35-147, twenty-five per cent of the monies collected pursuant to this section
9 in the public assistance collections fund and seventy-five per cent of the
10 monies collected pursuant to this section in the state general fund.
11 Notwithstanding this subsection, pursuant to sections 35-146 and 35-147, the
12 department shall deposit fifty per cent of the monies collected pursuant to
13 section 41-2752 in the public assistance fund and the remaining fifty per
14 cent of the monies collected pursuant to section 41-2752 shall be deposited
15 in the state general fund.

16 E. For the purposes of this section, "public assistance" includes
17 monies paid by the department to or for the benefit of a dependent child and
18 foster care maintenance paid pursuant to 42 United States Code sections 670
19 through 676.

20 Sec. 25. Section 46-803, Arizona Revised Statutes, is amended to read:

21 46-803. Eligibility for child care assistance

22 A. The department shall provide child care assistance to eligible
23 families who are attempting to achieve independence from the cash assistance
24 program and who need child care assistance in support of and as specified in
25 their personal responsibility agreement pursuant to chapters 1 and 2 of this
26 title.

27 B. The department shall provide child care assistance to eligible
28 families who are transitioning off of cash assistance due to increased
29 earnings or child support income in order to accept or maintain
30 employment. Eligible families must request this assistance within six months
31 after the cash assistance case closure. Child care assistance may be
32 provided for up to twenty-four months after the case closure and shall cease
33 whenever the family income exceeds one hundred sixty-five per cent of the
34 federal poverty level.

35 C. The department shall provide child care assistance to eligible
36 families who are diverted from cash assistance pursuant to section 46-298 in
37 order to obtain or maintain employment. Child care assistance may be
38 provided for up to twenty-four months after the case closure and shall cease
39 whenever the family income exceeds one hundred sixty-five per cent of the
40 federal poverty level.

41 D. The department may provide child care assistance to support
42 eligible families with incomes of one hundred sixty-five per cent or less of
43 the federal poverty level to accept or maintain employment. Priority for
44 this child care assistance shall be given to families with incomes of one
45 hundred per cent or less of the federal poverty level.

1 E. The department may provide child care assistance to families
2 referred by child protective services and to children in foster care pursuant
3 to title 8, chapter 5 to support child protection.

4 F. The department may provide child care assistance to special
5 circumstance families whose incomes are one hundred sixty-five per cent or
6 less of the federal poverty level and who are unable to provide child care
7 for a portion of a twenty-four hour day due to a crisis situation of domestic
8 violence or homelessness, or a physical, mental, emotional or medical
9 condition, participation in a drug treatment or drug rehabilitation program
10 or court ordered community service. Priority for this child care assistance
11 shall be given to families with incomes of one hundred per cent or less of
12 the federal poverty level.

13 G. In lieu of the employment activity required in subsection B, C or D
14 of this section, the department may allow eligible families with teenaged
15 custodial parents under twenty years of age to complete a high school diploma
16 or its equivalent or engage in remedial education activities reasonably
17 related to employment goals.

18 H. The department may provide supplemental child care assistance for
19 department approved education and training activities if the eligible parent,
20 legal guardian or caretaker relative is working at least a monthly average of
21 twenty hours per week and this education and training are reasonably related
22 to employment goals. The eligible parent, legal guardian or caretaker
23 relative must demonstrate satisfactory progress in the education or training
24 activity.

25 I. Beginning March 12, 2003, the department shall establish waiting
26 lists for child care assistance and prioritize child care assistance for
27 different eligibility categories in order to manage within appropriated and
28 available monies. PRIORITY OF CHILDREN ON THE WAITING LIST SHALL START WITH
29 THOSE FAMILIES AT ONE HUNDRED PER CENT OF THE FEDERAL POVERTY LEVEL AND
30 CONTINUE WITH EACH SUCCESSIVE TEN PER CENT INCREASE IN THE FEDERAL POVERTY
31 LEVEL UNTIL THE MAXIMUM ALLOWABLE FEDERAL POVERTY LEVEL OF ONE HUNDRED
32 SIXTY-FIVE PER CENT. PRIORITY SHALL BE GIVEN REGARDLESS OF TIME SPENT ON THE
33 WAITING LIST.

34 J. The department shall establish criteria for denying, reducing or
35 terminating child care assistance that include:

36 1. Whether there is a parent, legal guardian or caretaker relative
37 available to care for the child.

38 2. Financial or programmatic eligibility changes or ineligibility.

39 3. Failure to cooperate with the requirements of the department to
40 determine or redetermine eligibility.

41 4. Hours of child care need that fall within the child's compulsory
42 academic school hours.

43 5. Reasonably accessible and available publicly funded early childhood
44 education programs.

45 6. Whether an otherwise eligible family has been sanctioned and cash
46 assistance has been terminated pursuant to chapter 2 of this title.

1 7. Other circumstances of a similar nature.

2 8. Whether sufficient monies exist for the assistance.

3 K. FAMILIES RECEIVING CHILD CARE ASSISTANCE UNDER SUBSECTION C, D, F,
4 G OR H OF THIS SECTION ARE ALSO SUBJECT TO THE FOLLOWING REQUIREMENTS FOR
5 SUCH CHILD CARE ASSISTANCE:

6 1. EACH CHILD IS LIMITED TO NO MORE THAN TWENTY-FOUR CUMULATIVE MONTHS
7 OF CHILD CARE ASSISTANCE. THE DEPARTMENT MAY PROVIDE AN EXTENSION IF THE
8 FAMILY CAN PROVE THAT THE FAMILY IS MAKING EFFORTS TO IMPROVE SKILLS AND MOVE
9 TOWARDS SELF-SUFFICIENCY.

10 2. FAMILIES ARE LIMITED TO NO MORE THAN SIXTY CUMULATIVE MONTHS OF
11 CHILD CARE ASSISTANCE. THE DEPARTMENT MAY PROVIDE AN EXTENSION IF THE FAMILY
12 CAN PROVE THAT THE FAMILY IS MAKING EFFORTS TO IMPROVE SKILLS AND MOVE
13 TOWARDS SELF-SUFFICIENCY.

14 3. FAMILIES ARE LIMITED TO NO MORE THAN SIX CHILDREN RECEIVING CHILD
15 CARE ASSISTANCE.

16 4. COPAYMENTS SHALL BE IMPOSED FOR ALL CHILDREN RECEIVING CHILD CARE
17 ASSISTANCE. COPAYMENTS FOR EACH CHILD MAY BE HIGHER FOR THE FIRST CHILD IN
18 CHILD CARE THAN FOR ADDITIONAL CHILDREN IN CHILD CARE.

19 ~~K.~~ L. The department shall review each case at least once a year to
20 evaluate eligibility for child care assistance.

21 ~~L.~~ M. Notwithstanding section 35-173, monies appropriated for the
22 purposes of this section shall not be used for any other purpose without the
23 approval of the joint legislative budget committee.

24 N. THE DEPARTMENT SHALL REFER ALL CHILD CARE SUBSIDY RECIPIENTS TO
25 CHILD SUPPORT ENFORCEMENT AND TO LOCAL WORKFORCE SERVICES AND PROVIDE
26 INFORMATION ON THE EARNED INCOME TAX CREDIT.

27 Sec. 26. Section 46-805, Arizona Revised Statutes, is amended to read:

28 46-805. Child care assistance; rates

29 A. The department shall establish payment rates for child care
30 assistance. Payment rates shall provide for equal access for eligible
31 families to comparable child care services provided to families who are not
32 eligible to receive child care assistance.

33 B. Beginning on July 1, 1998, payment rates shall be identical in form
34 for all child care assistance.

35 C. The department may pay different levels of child care assistance
36 according to the category of child care provider, age of children, geographic
37 area, level of national accreditation, varying child care costs for children
38 with special needs or other circumstances to meet the child care needs of
39 eligible families.

40 D. The department shall establish a sliding fee scale and formula for
41 determining child care assistance based on:

42 1. Income and earnings of the family.

43 2. Family size.

44 3. Number of children receiving child care assistance.

45 4. Child support to other minor dependent children of the parent
46 living outside the family unit.

5. INCOME AND EARNINGS OF A FAMILY MEMBER WHO IS AT LEAST EIGHTEEN YEARS OF AGE AND WHO IS RESIDING IN THE HOME WITH A PARENT WHO IS RECEIVING CHILD CARE ASSISTANCE.

6. INCOME AND EARNINGS OF A NONFAMILY MEMBER WHO IS AT LEAST EIGHTEEN YEARS OF AGE AND WHO IS RESIDING IN THE HOME OF AND COHABITING WITH A PARENT WHO IS RECEIVING CHILD CARE ASSISTANCE.

~~5-~~ 7. Other factors of a similar nature.

E. All child care providers shall remain in good standing with licensing and certification laws and adopted rules.

Sec. 27. County acute care contribution; fiscal year 2005-2006

A. Notwithstanding section 11-292, Arizona Revised Statutes, as amended by this act, for fiscal year 2005-2006 for the provision of hospitalization and medical care, the counties shall contribute the following amounts:

1. Apache	\$ 268,800
2. Cochise	2,214,800
3. Coconino	742,900
4. Gila	1,413,200
5. Graham	536,200
6. Greenlee	190,700
7. La Paz	212,100
8. Maricopa	31,959,200
9. Mohave	1,237,700
10. Navajo	310,800
11. Pima	14,951,800
12. Pinal	2,715,600
13. Santa Cruz	482,800
14. Yavapai	1,427,800
15. Yuma	1,325,100

B. If a county does not provide funding as specified in subsection A of this section, the state treasurer shall subtract the amount owed by the county to the Arizona health care cost containment system and long-term care system funds established by section 36-2913, Arizona Revised Statutes, from any payments required to be made by the state treasurer to that county pursuant to section 42-5029, subsection D, paragraph 2, Arizona Revised Statutes, plus interest on that amount pursuant to section 44-1201, Arizona Revised Statutes, retroactive to the first day the funding was due. If the monies the state treasurer withholds are insufficient to meet that county's funding requirements as specified in subsection A of this section, the state treasurer shall withhold from any other monies payable to that county from whatever state funding source is available an amount necessary to fulfill that county's requirement. The state treasurer shall not withhold distributions from the highway user revenue fund pursuant to title 28, chapter 18, article 2, Arizona Revised Statutes.

C. Payment of an amount equal to one-twelfth of the total amount determined pursuant to subsection A of this section shall be made to the

1 state treasurer on or before the fifth day of each month. On request from
 2 the director of the Arizona health care cost containment system
 3 administration, the state treasurer shall require that up to three months'
 4 payments be made in advance, if necessary.

5 D. The state treasurer shall deposit the amounts paid pursuant to
 6 subsection C of this section and amounts withheld pursuant to subsection B of
 7 this section in the Arizona health care cost containment system and long-term
 8 care system funds established by section 36-2913, Arizona Revised Statutes.

9 E. If payments made pursuant to subsection C of this section exceed
 10 the amount required to meet the costs incurred by the Arizona health care
 11 cost containment system for the hospitalization and medical care of those
 12 persons defined as an eligible person pursuant to section 36-2901, paragraph
 13 6, subdivisions (a), (b) and (c), Arizona Revised Statutes, the director of
 14 the Arizona health care cost containment system administration may instruct
 15 the state treasurer either to reduce remaining payments to be paid pursuant
 16 to this section by a specified amount or to provide to the counties specified
 17 amounts from the Arizona health care cost containment system and long-term
 18 care system funds.

19 F. It is the intent of the legislature that the Maricopa county
 20 contribution pursuant to subsection A of this section shall be reduced in
 21 each subsequent year according to the changes in the GDP price deflator. For
 22 the purposes of this subsection, "GDP price deflator" has the same meaning
 23 prescribed in section 41-563, Arizona Revised Statutes.

24 Sec. 28. County uncompensated care contribution; fiscal year
 25 2005-2006

26 A. Notwithstanding any other law, for fiscal year 2005-2006, beginning
 27 with the second monthly distribution of transaction privilege tax revenues,
 28 the state treasurer shall withhold the following amounts from state
 29 transaction privilege tax revenues otherwise distributable, after any amounts
 30 withheld for the county long-term care contribution or the county
 31 administration contribution pursuant to section 11-292, subsection P, Arizona
 32 Revised Statutes, as amended by this act, for deposit in the Arizona health
 33 care cost containment system fund established by section 36-2913, Arizona
 34 Revised Statutes, for the provision of hospitalization and medical care:

35	1. Apache	\$87,300
36	2. Cochise	\$162,700
37	3. Coconino	\$160,500
38	4. Gila	\$65,900
39	5. Graham	\$46,800
40	6. Greenlee	\$12,000
41	7. La Paz	\$24,900
42	8. Mohave	\$187,400
43	9. Navajo	\$122,800
44	10. Pima	\$1,115,900
45	11. Pinal	\$218,300
46	12. Santa Cruz	\$51,600

1	13. Yavapai	\$206,200
2	14. Yuma	\$183,900

3 B. If a county does not provide funding as specified in subsection A
 4 of this section, the state treasurer shall subtract the amount owed by the
 5 county to the Arizona health care cost containment system fund from any
 6 payments required to be made by the state treasurer to that county pursuant
 7 to section 42-5029, subsection D, paragraph 2, Arizona Revised Statutes, plus
 8 interest on that amount pursuant to section 44-1201, Arizona Revised
 9 Statutes, retroactive to the first day the funding was due. If the monies
 10 the state treasurer withholds are insufficient to meet that county's funding
 11 requirement as specified in subsection A of this section, the state treasurer
 12 shall withhold from any other monies payable to that county from whatever
 13 state funding source is available an amount necessary to fulfill that
 14 county's requirement. The state treasurer shall not withhold distributions
 15 from the highway user revenue fund pursuant to title 28, chapter 18, article
 16 2, Arizona Revised Statutes.

17 C. Payment of an amount equal to one-twelfth of the total monies
 18 prescribed pursuant to subsection A of this section shall be made to the
 19 state treasurer on or before the fifth day of each month. On request from
 20 the director of the Arizona health care cost containment system
 21 administration, the state treasurer shall require that up to three months'
 22 payments be made in advance, if necessary.

23 D. The state treasurer shall deposit the monies paid pursuant to
 24 subsection C of this section in the Arizona health care cost containment
 25 system fund established by section 36-2913, Arizona Revised Statutes.

26 E. In fiscal year 2005-2006, the sum of \$2,646,200 withheld pursuant
 27 to subsection A or B of this section, as applicable, is allocated for the
 28 county acute care contribution for the provision of hospitalization and
 29 medical care services administered by the Arizona health care cost
 30 containment system administration.

31 Sec. 29. Withholding state shared revenues; fiscal year
 32 2005-2006

33 A. Based on the distribution of disproportionate share funding to
 34 county operated hospitals made pursuant to section 36-2903.01, subsection P,
 35 Arizona Revised Statutes, for fiscal year 2005-2006, the staff director of
 36 the joint legislative budget committee shall compute amounts to be withheld
 37 from transaction privilege tax revenues for counties with a population of at
 38 least one million five hundred thousand persons pursuant to subsection B of
 39 this section.

40 B. Notwithstanding section 42-5029, subsection D, paragraph 2, Arizona
 41 Revised Statutes, beginning with the first monthly distribution of
 42 transaction privilege tax revenues and at the direction of the governor, the
 43 state treasurer shall withhold an amount totaling \$63,366,600 from state
 44 transaction privilege tax revenues otherwise distributable, after any amounts
 45 withheld for the county long-term care contribution for fiscal year 2005-2006
 46 from counties with a population of at least one million five hundred thousand

persons. Amounts withheld from individual counties under this subsection shall be determined pursuant to subsection A of this section.

C. In addition to the amount specified in subsection B of this section, the state treasurer may also withhold transaction privilege tax revenues in fiscal year 2006-2007 if amounts withheld pursuant to subsection B of this section for fiscal year 2005-2006 are insufficient.

D. If changes in federal policies regarding the disproportionate share funding to county operated hospitals reduces payment levels below the amount specified in the fiscal year 2005-2006 general appropriations act, the governor, after consultation with chairpersons of the house and senate appropriations committees, may direct the state treasurer to suspend withholdings of transaction privilege tax revenues specified in subsection B of this section to accommodate the federal policy change.

Sec. 30. County expenditure limitations; disproportionate share; fiscal year 2005-2006 adjustment formula

A. As a result of the transfer of funding for disproportionate share health services, as provided in this act, from the counties to the state and federal governments for fiscal year 1991-1992 through fiscal year 2005-2006 the economic estimates commission shall decrease the base limit of each county in which the county hospital receives state and federal disproportionate share payments in fiscal year 2005-2006 as follows:

1. Divide the amount of the state and federal disproportionate share payments received by the county hospital in fiscal year 2005-2006 by the GDP price deflator, as defined in section 41-563, Arizona Revised Statutes, for the same fiscal year used to calculate expenditure limitations for fiscal year 2005-2006 and multiply the resulting quotient by the GDP price deflator determined for fiscal year 1979-1980.

2. Divide the amount determined in paragraph 1 for fiscal year 2005-2006 by the population of the county, as defined in article IX, section 20, subsection (3), paragraph (f), Constitution of Arizona, for the same fiscal year used to calculate expenditure limitations for fiscal year 2005-2006 and multiply the resulting quotient by the population of the county for fiscal year 1979-1980.

B. The economic estimates commission shall adjust the county expenditure limitations for fiscal year 2005-2006 based on this section. The calculation shall use the same base limit of \$161,290,737 for Maricopa county for the purpose of determining the adjustment.

Sec. 31. County expenditure limitations; disproportionate share; fiscal year 2006-2007

As a result of the elimination of the transfer of funding for disproportionate share hospital services from the counties to the state and federal governments beginning with fiscal year 2006-2007, the county expenditure limitations shall be adjusted beginning with fiscal year 2006-2007. The economic estimates commission shall increase the base limit of each county by the amount the base limit was decreased for fiscal year 2005-2006 pursuant to this act.

1 Sec. 32. Child care eligibility levels; report

2 Notwithstanding section 46-803, Arizona Revised Statutes, for fiscal
3 year 2005-2006, the department of economic security may reduce maximum income
4 eligibility levels for child care assistance in order to manage within
5 appropriated and available monies. The department shall notify the joint
6 legislative budget committee of any change in maximum income eligibility
7 levels for child care within fifteen days after implementing that change.

8 Sec. 33. Competency restoration treatment; city and county
9 reimbursement; fiscal year 2005-2006; deposit; tax
10 withholding

11 A. Notwithstanding section 13-4512, Arizona Revised Statutes, for
12 cities and counties, if the state pays the costs of a defendant's inpatient
13 competency restoration treatment pursuant to section 13-4512, Arizona Revised
14 Statutes, the city or county shall reimburse the department of health
15 services for eighty-six per cent of these costs for fiscal year 2005-2006.
16 The department shall deposit the monies, pursuant to sections 35-146 and
17 35-147, Arizona Revised Statutes, in the Arizona state hospital fund
18 established by section 36-545.08, Arizona Revised Statutes.

19 B. Each city and county shall make the reimbursements for these costs
20 as specified in subsection A of this section within thirty days after a
21 request by the department. If the city or county does not make the
22 reimbursement, the superintendent of the Arizona state hospital shall notify
23 the state treasurer of the amount owed and the treasurer shall withhold the
24 amount, including any additional interest as provided in section 42-1123,
25 Arizona Revised Statutes, from any transaction privilege tax distributions to
26 the city or county. The treasurer shall deposit the withholdings, pursuant
27 to sections 35-146 and 35-147, Arizona Revised Statutes, in the Arizona state
28 hospital fund established by section 36-545.08, Arizona Revised Statutes.

29 Sec. 34. Suicide prevention program; suspension

30 Notwithstanding section 36-3415, Arizona Revised Statutes, the
31 department of health services shall not operate a suicide prevention program
32 in fiscal year 2005-2006 unless new federal monies that do not require state
33 matching monies are received for the operation of the program.

34 Sec. 35. Children's health insurance program; parents
35 eligibility; fiscal year 2005-2006

36 A. Notwithstanding any other law, for fiscal year 2005-2006, a parent
37 of a child who is eligible for or enrolled in the children's health insurance
38 program or a parent who has a child enrolled under title 36, chapter 29,
39 article 1, Arizona Revised Statutes, but who would be eligible for the
40 children's health insurance program is eligible for the children's health
41 insurance program as defined in title 36, chapter 29, article 4, Arizona
42 Revised Statutes, and may apply for eligibility based on an income that does
43 not exceed two hundred per cent of the federal poverty level.

44 B. In determining eligibility pursuant to subsection A of this
45 section, the administration shall apply other eligibility requirements
46 pursuant to sections 36-2981 and 36-2983, Arizona Revised Statutes, and to

1 rules adopted by the administration. If the parent is determined eligible
2 pursuant to this section, all other requirements established by the
3 administration by rule, including premium payment requirements and available
4 services, in title 36, chapter 29, article 4, Arizona Revised Statutes,
5 apply.

6 Sec. 36. ALICS: county contributions

7 Notwithstanding section 11-292, Arizona Revised Statutes, as amended by
8 this act, county contributions for the Arizona long-term care system for
9 fiscal year 2005-2006 are as follows:

- 10 1. Apache, \$526,300.
- 11 2. Cochise, \$5,774,700.
- 12 3. Coconino, \$1,579,000.
- 13 4. Gila, \$3,044,000.
- 14 5. Graham, \$963,300.
- 15 6. Greenlee, \$126,600.
- 16 7. La Paz, \$792,500.
- 17 8. Maricopa, \$130,003,100.
- 18 9. Mohave, \$7,328,700.
- 19 10. Navajo, \$2,177,000.
- 20 11. Pima, \$41,127,000.
- 21 12. Pinal, \$9,676,600.
- 22 13. Santa Cruz, \$2,098,800.
- 23 14. Yavapai, \$7,464,200.
- 24 15. Yuma, \$6,056,300.

25 Sec. 37. Arizona state hospital: private operation

26 A. Notwithstanding any law to the contrary, pursuant to requests for
27 proposals, the department of health services may enter into a five year
28 contract with a private entity to administer the Arizona state hospital and
29 deliver client services. The contract shall allow the department to renew
30 the contract for two subsequent renewal periods of not more than five years
31 each and shall prescribe the circumstances under which the department may
32 terminate the contract before the end of a five year period. The department
33 may issue separate requests for proposals for criminal, civil, juvenile and
34 adult population categories in the state hospital.

35 B. The contract shall include the following requirements:

36 1. The contractor must successfully attain performance goals
37 prescribed by the department and the joint legislative budget committee
38 relating to improvement of the state hospital's administration and delivery
39 of client services.

40 2. The contractor shall not use subcontractors or subsidiaries to
41 deliver services prescribed in the contract.

42 C. To be considered for an award of a contract, the contractor must
43 demonstrate that it has:

44 1. The qualifications, operations and management experience and
45 experienced personnel necessary to carry out the terms of the contract.

1 2. The ability to comply with applicable standards and any specific
2 court order, if required.

3 3. A demonstrated history of successful operation and management of
4 secure behavioral health facilities.

5 4. A demonstrated history of successful delivery of behavioral health
6 services.

7 D. The contractor must agree:

8 1. That this state may cancel the contract at any time after the first
9 year of operation, without penalty to this state, on ninety days' written
10 notice.

11 2. To be in compliance at all times with all corrective action plans
12 that are in effect at the time the contract is entered into or that are
13 subsequently entered into by this state and the center for medicare and
14 medicaid services.

15 3. To comply with all medicare certification requirements.

16 E. A contract may provide for annual contract price or cost
17 adjustments, except that any adjustments may be made only once each year
18 effective on the anniversary of the effective date of the contract. If any
19 adjustment is made pursuant to the terms of the contract, it must be applied
20 to the total payments made to the contractor for the previous contract year
21 and shall not exceed the per cent of change in the average consumer price
22 index as published by the United States department of labor, bureau of labor
23 statistics between that figure for the latest calendar year and the next
24 previous calendar year. Any price or cost adjustments different than those
25 authorized in this subsection may be made only if the legislature
26 specifically authorizes the adjustments and appropriates monies for that
27 purpose, if required.

28 F. The department shall not award a contract unless:

29 1. It receives an acceptable proposal pursuant to any request for
30 proposals. For the purposes of this paragraph, "acceptable proposal" means a
31 proposal that substantially meets all of the requirements or conditions
32 prescribed in this section and that meets all of the requirements in the
33 request for proposals.

34 2. The proposal offers cost savings to this state based on the
35 standard cost comparison model approved by the joint legislative budget
36 committee.

37 3. The proposal offers a level and quality of services that equal or
38 exceed those that would be provided by this state.

39 4. The contractor provides audited financial statements for the
40 previous five years, or for each of the years the contractor has been in
41 operation, if fewer than five years, and provides other financial information
42 as requested.

43 5. The contractor provides an adequate plan of insurance, specifically
44 including coverage or insurance for civil rights claims and liabilities as
45 approved by the risk management division of the department of administration.

6. The contractor agrees to be liable for the costs of any emergency, public safety or security services provided to the contractor by this state or any political subdivision of this state and to reimburse this state or any political subdivision of this state for the cost of those services.

G. The sovereign immunity of this state does not apply to the contractor. Neither the contractor nor the insurer of the contractor may plead the defense of sovereign immunity in any action arising out of the performance of the contract.

H. The contract terms are subject to prior review by the joint legislative budget committee before placement of any advertisement that solicits a response to a request for proposals. Any proposed modification or amendment to the contract is subject to prior review by the joint legislative budget committee.

I. During its first year of operation, the contracting entity shall submit monthly reports to the department and the joint legislative budget committee as prescribed by the department. Thereafter, the contracting entity shall submit quarterly reports to the department and the joint legislative budget committee as prescribed by the department.

J. At the end of the fourth year of the contract, an independent evaluator selected by the department shall conduct and complete a performance review to determine if the contracting entity has met the goals specified in the contract. The independent evaluator shall submit a report of its findings to the governor, the president of the senate, the speaker of the house of representatives and the joint legislative budget committee on or before May 1, 2010 and shall provide a copy of its report to the secretary of state and the director of the Arizona state library, archives and public records.

K. The department shall make a good faith attempt to place all state hospital personnel who are under the state personnel system on the effective date of the contract entered into pursuant to this section and who are not offered continued employment by the contracting entity.

L. All appropriated monies that remain unexpended and unencumbered on the effective date of the contract entered into pursuant to this section revert to the state general fund.

Sec. 38. Auditor general review; healthcare group

By March 1, 2006, the auditor general shall conduct a performance and financial audit as defined in section 41-1278, Arizona Revised Statutes, of the healthcare group program administered by the Arizona health care cost containment system. The audit shall include an examination of the administrative costs of the program, whether the program's financial reserves are adequate compared to what private health insurance providers are required to maintain and whether provisions requiring employer groups to be without health insurance for one hundred eighty days before enrollment in healthcare group are being enforced. The auditor general shall submit copies of the audits to the governor, the president of the senate, the speaker of the house

1 of representatives, the secretary of state and the director of the Arizona
2 state library, archives and public records.

3 Sec. 39. AHCCCS; report on outlier reimbursement

4 By November 15, 2005, the Arizona health care cost containment system
5 shall report to the joint legislative budget committee on the methodology
6 used to reimburse hospitals for outlier inpatient costs pursuant to section
7 36-2903.01, subsection H, paragraph 10, Arizona Revised Statutes, the total
8 reimbursements made in fiscal year 2004-2005 pursuant to that section by
9 county and by health care facility or provider, or both, information
10 detailing the lengths of stay and the types of services reimbursed pursuant
11 to that section and the portion of total inpatient reimbursements that
12 qualify as outliers. The report shall also examine whether any services are
13 being reimbursed pursuant to section 36-2903.01, subsection H, paragraph 10,
14 Arizona Revised Statutes, that were not originally intended to qualify as
15 outliers.

16 Sec. 40. Effective date

17 Section 46-217, Arizona Revised Statutes, as amended by Laws 2002,
18 chapter 331, section 20 and this act, is effective from and after June 30,
19 2006.